

INTERNATIONAL DONOR ASSISTANCE TO THE GOI

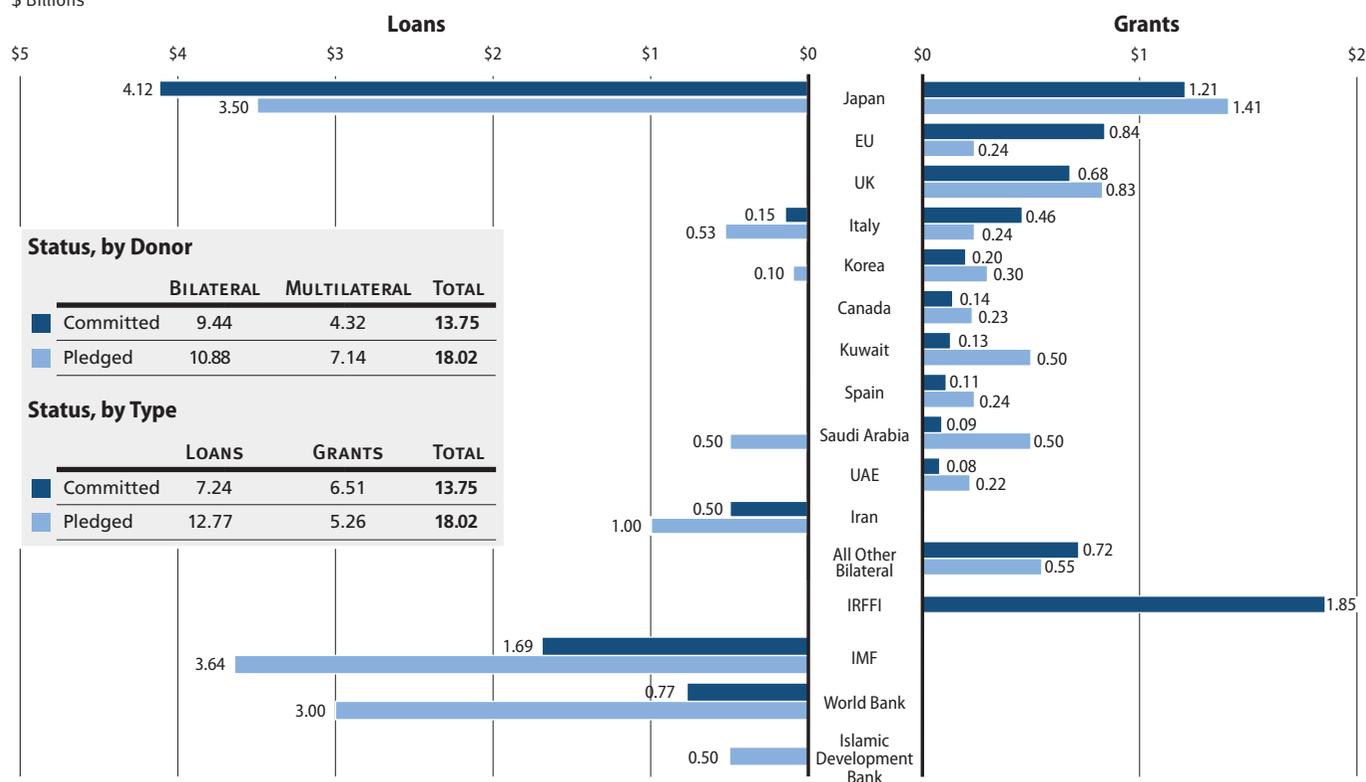
Donor assistance to the GOI includes bilateral and multilateral development assistance in loans and grants. As of the end of this quarter, donor pledges totaled \$18.02 billion, including \$5.26 billion in grants and \$12.77 billion in loans. Donor

commitments totaled \$13.75 billion—\$6.51 billion in grants and \$7.24 billion in loans.¹ For an overview of bilateral and multilateral development assistance, see Figure D.1.

FIGURE D.1

INTERNATIONAL GRANTS AND LOANS, BY TYPE OF ASSISTANCE, STATUS, AND DONOR, AS OF 6/26/2012

\$ Billions



Note: Data not audited. Numbers affected by rounding. Bilateral commitments exclude IRFFI deposits. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011; IRFFI, World Bank, "World Bank Operations in Iraq," 12/31/2011, siteresources.worldbank.org/IRFFI/Resources/DatasheetDecember2011.pdf, accessed 3/16/2012; Embassy of Japan in Iraq, press release, "Provision of Yen Loan to Iraq," 5/29/2012, www.iraq.emb-japan.go.jp/Press_Releases/Press_release_2012_No13.html, accessed 6/26/2012.

Bilateral Development Assistance

As of the end of the quarter, \$9.44 billion in bilateral assistance had been committed to Iraq.² At the end of May 2012, Japan increased its commitments by \$845 million to support four projects. The largest international (non-U.S.) donors include Japan, which has committed \$5.33 billion through grants and loans, and the European Commission (EC), which has committed \$0.84 billion through grants.³

Multilateral Development Assistance

As of the end of the quarter, \$4.32 billion in multilateral assistance has been committed to Iraq. Multilateral development assistance includes loan commitments and pledges from the World Bank, International Monetary Fund (IMF), and Islamic Development Bank (IDB), as well as the International Reconstruction Fund Facility for Iraq (IRFFI) grants funded by donor deposits.⁴

International Reconstruction Fund Facility for Iraq

The IRFFI was launched in 2004 to help donor nations channel their resources and coordinate support for reconstruction and development in Iraq. The facility comprises the World Bank Iraq Trust Fund (WB ITF) and the United Nations Development Group Iraq Trust Fund (UNDG ITF). No new IRFFI projects will begin after the end of 2010; project completions and disbursements are to take place no later than December 31, 2013.⁵ As of September 30, 2011, 25 IRFFI donors, including the United States, had committed \$1.86 billion for Iraq reconstruction.⁶ The largest IRFFI contributors are the European Commission (\$774 million in IRFFI deposits), Japan (\$492 million), and the United Kingdom (\$127 million).⁷

World Bank

The World Bank funds several programs to support the GOI in addressing reconstruction needs:

- restoring basic services
- supporting private-sector development
- enhancing social safety nets
- improving public-sector governance

This support for Iraq reconstruction is funded primarily through the World Bank Iraq Trust Fund. WB ITF commitments to the IRFFI total \$497 million.⁸ The cutoff date for donor's contributions for the WB ITF was December 31, 2008, and donors have agreed to terminate the fund on December 31, 2013. By this deadline, all WB ITF funding must be disbursed, and all projects will be completed.⁹ As of December 30, 2011, the WB ITF has financed 26 projects, six of which have been fully implemented and closed. The remaining 20 projects are currently under implementation.¹⁰

The World Bank has provided assistance to Iraq to develop social services through its International Development Association (IDA). Five IDA loans have been approved for Iraq, totaling \$508.5 million.¹¹

United Nations

UNDG ITF commitments to the IRFFI total \$1.36 billion.¹² The cutoff date for donor contributions for the UNDG ITF was June 30, 2009; any funds that were not committed to a specific project by December 31, 2010, would be returned.¹³ To meet this requirement, the UN agreed that no new projects would be approved after June 30, 2010.¹⁴ The remaining UN funds were deposited in the UN's general Multilateral Donor Trust Fund and will go to support activities overseen by the UN Assistance Mission for Iraq (UNAMI).¹⁵

TABLE D.1
DONOR PROJECTS, BY SECTOR
\$ Millions

SECTOR	COMMITTED	DISBURSED
Infrastructure	1,083.67	807.32
Health	618.81	508.75
Governance and Democracy Development	611.66	429.59
Education, Science, and Culture	375.56	292.85
Agriculture, Food, and Fishing	368.52	190.83
Housing, Labor, and Social Affairs	358.09	299.73
Environment	324.37	259.68
Security	231.14	190.87
Economic Development	204.07	72.46
Unspecified/Unclassified	116.80	78.96
Energy	38.75	30.62
Enterprise and Industry	14.00	9.39
Unallocated	10.60	5.26
Economic Recovery And Poverty Allevation	7.80	4.50
Water and Sanitation	0.71	0.71
Total	4,364.55	3,181.53

Note: Data not formally reviewed, audited, or verified. Numbers affected by rounding. Data excludes U.S.-funded projects.

Source: GOI, Iraq Development Management System, www.mop.gov.iq/idms, accessed 7/15/2011.

Sources for International Donor Information

SIGIR continues to note the challenges in reporting on international contributions to Iraq reconstruction. As Iraq shifts to normalized relations with the international community, the United States is less able to track international funding. Efforts by international donors now focus on helping Iraq sustain its progress. While some donors continue to support Iraq with technical assistance, economic development projects, and project financing, others are focusing on building relationships based on conventional trade and investment.¹⁶ The Department of State's Bureau of Near Eastern Affairs-Iraq (NEA-I) does not expect substantial additional increases in donor commitments for Iraq reconstruction.¹⁷

Department of State

NEA-I provides SIGIR with quarterly updates on international pledge and commitment figures from donor countries and international organizations.

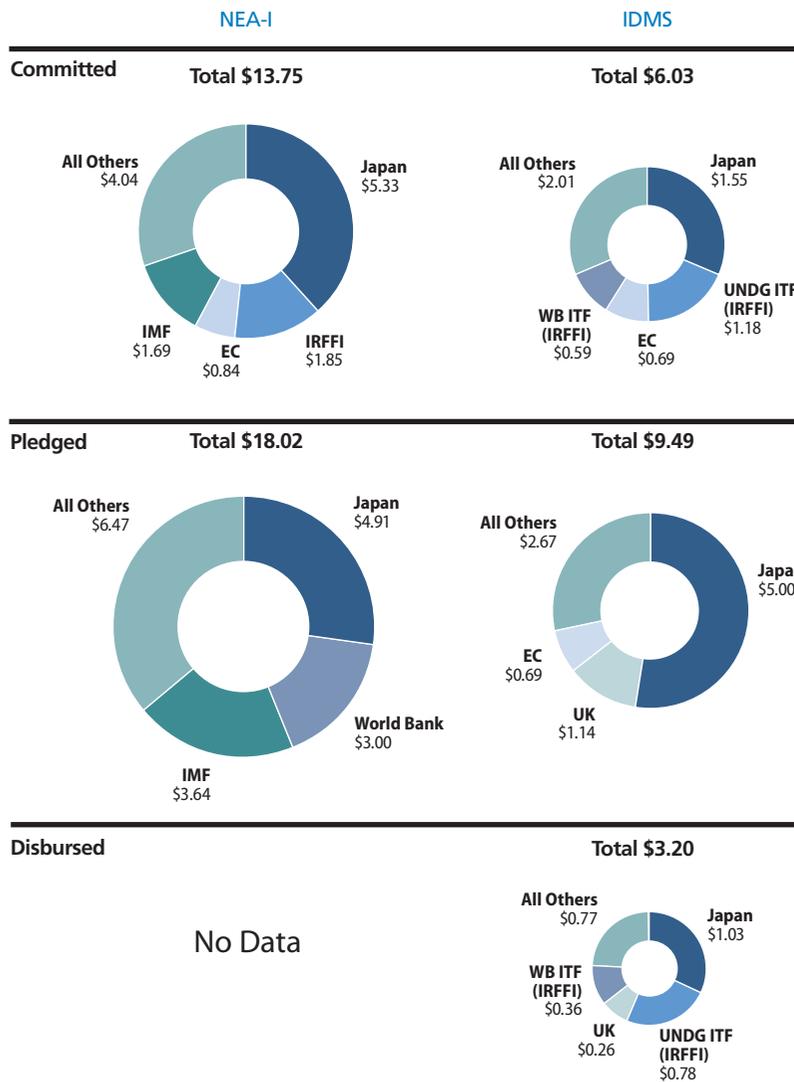
Iraq Development Management System

The Iraq Development Management System (IDMS), which was established to enable Iraq's Ministry of Planning to track capital projects, was not available this quarter. As of July 15, 2011, the last date on which SIGIR pulled data from the IDMS, the system reported total commitments of \$6.03 billion and disbursements of \$3.20 billion.¹⁸ For an overview of Iraqi donor spending by sector reported in the IDMS, see Table D.1.

Previously, the IDMS had provided a web-based application to help manage government and donor-funded development projects in Iraq.¹⁹ However, there was no standard reporting requirement for donors to provide data and no set time frame for updates to the IDMS to be completed. The inconsistent nature of IDMS reporting requirements resulted in significant differences between figures reported by NEA-I and IDMS. For an overview of these differences, including committed, pledged, and disbursed amounts, see Figure D.2. ♦

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FIGURE D.2
COMMITTED, PLEDGED, AND DISBURSED FUNDS, NEA-I VS. IDMS REPORTING
 \$ Billions



Note: Numbers affected by rounding. Amounts may differ from prior quarters due to changes in foreign exchange rates.

Sources: NEA-I, responses to SIGIR data calls, 4/5/2011, 4/7/2011, and 7/12/2011; GOI, Iraq Development Management System, www.mop.gov.iq/idms, accessed 7/15/2011; IRFFI, World Bank, "World Bank Operations in Iraq," 12/31/2011, siteresources.worldbank.org/IRFFI/Resources/DatasheetDecember2011.pdf, accessed 3/16/2012; Embassy of Japan in Iraq, press release, "Provision of Yen Loan to Iraq," 5/29/2012, www.iraq.emb-japan.go.jp/Press_Releases/Press_release_2012_No13.html, accessed 6/26/2012.

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