

Chair's Summary of the Expanded Meeting of the International Reconstruction Fund for Iraq (IRFFI) October 13 2004

1. The Third Expanded Meeting of the Donor Committee of the IRFFI was held in Tokyo on 13 October at the invitation of the Government of Japan. The meeting was chaired by Mr Akio Shirota, Ambassador of Japan in charge of reconstruction assistance to Iraq. The opening address was made by Mr Nobutaka Machimura, Minister for Foreign Affairs of Japan.
2. Importantly, this was the first meeting of donors since the handover of sovereign authority on 28 June. Including the delegation from the Iraqi Interim Government (IIG), a total of 57 countries and institutions attended the meeting; this wide attendance represented an emphatic reaffirmation of the message of long-term solidarity between the international community and the Iraqi people.
3. Deputy Prime Minister Dr. Barham Salih made a keynote speech. The IIG's vision for Iraq was of a market-based, peaceful and democratic country with a fully accountable government that would be fully integrated into the international community and which would in time play its role in support of others in need of assistance. The Iraqi National Development Strategy (NDS), also distributed at the meeting, explained both the strategy and the concrete measures drawn up by Iraqis for the reconstruction of their country over the next three years (2005-2007).
4. In the afternoon, Dr. Salih gave a firm commitment that the IIG would make all possible efforts to promote security and would also follow the agreed political process, including the holding of fully nationwide elections by January 2005. In support of this aim, and in response to appeals made by the Iraqi Independent Elections Commission and the UN at the Meeting, several donors made announcements of contributions in support of the electoral process and other countries indicated they would announce

contributions in the near future. In a discussion on elections the Chairman of the Independent Electoral Commission of Iraq reiterated his commitment to conduct Iraq's elections in a fair and transparent manner. He noted progress to date and appealed for continued international assistance. The Deputy UN Secretary General's Special Representative described the UN's assistance in this vital effort.

5. Dr. Salih stated that the vast majority of the Iraqi people remained committed to the construction of a peaceful and prosperous Iraq despite the obstacles in their path. He made an urgent appeal for the full, immediate and united support of the international community. Dr Salih underscored his government's commitment to the principles of accountability and transparency in public financial management, the promotion of a vibrant and diverse economy based on a dynamic private sector, and improvements in human capital through better access to health, education and housing.

6. In his speech entitled "Madrid One Year Later" Dr. Mehdi Al-Hafedh, Minister of Planning and Development Cooperation and Chairman of the Iraqi Strategic Review Board, emphasized that, although there was still a long way to go, the Iraqi people had witnessed considerable progress to date. This progress included: a significant increase in GDP; the introduction of sound economic legislation; the launch of a viable new currency; an increased capacity for oil production; legislation on human rights and gender equality; and the improvement of health and education infrastructure. Dr. Al-Hafedh reaffirmed his government's commitment to effective implementation of donor's assistance and appealed for accelerated implementation of projects on the ground and additional assistance across a range of priority sectors, including electricity and water.

7. The Expanded Meeting responded to the Iraqi presentation by welcoming the determination and approach of the IIG, based on

Iraqi ownership of the reconstruction process. The NDS represents an important foundation for the future work of the reconstruction of Iraq. The Expanded Meeting confirmed the importance of strong international cooperation for the reconstruction of Iraq.

8. The Expanded Meeting noted Dr. Salih's statement that the political process (including security issues) and the process of economic development were inseparable. The Expanded Meeting welcomed the IIG's idea of an international conference, to be hosted by Egypt in November, which would include Iraq's neighbours and other members of the international community.

9. In their response, the Iraqi officials expressed their strong appreciation for the generous contributions of the international community to date. In light of the urgency of Iraq's needs, the Iraqi officials renewed their appeal for the rapid disbursement of assistance and urged potential and existing donors to channel their aid either through the IRFFI or bilaterally in close coordination with the Iraqi Strategic Review Board. In this context, the Expanded Meeting welcomed the additional firm commitment of 10 million dollars by the Government of Iran.

10. These speeches were followed by three presentations made on behalf of the UN, the World Bank and the IMF. The UN presentation was made by Mr Mark Malloch Brown, Chair of the United Nations Development Group (UNDG). He reconfirmed the commitment of the United Nations to do everything possible to support the Independent Electoral Commission of Iraq that is managing the forthcoming Iraqi elections. Mr Christiaan Poortman, regional Vice President of the World Bank, highlighted the progress of the World Bank's reconstruction and reform programme in his presentation. The IMF presentation was made by Mr Takatoshi Kato, Deputy IMF Director. He highlighted the progress made in the IMF's involvement including last month's approval of the EPCA (Emergency Post-Conflict Assistance),

which was welcomed by the Expanded Meeting.

11. In a series of presentations, bilateral and multilateral donors provided an update of their assistance. The EC indicated its intention to further contribute to the reconstruction process, including replenishment of IRFFI in 2005. And Korea also expressed its intention to provide IRFFI with an additional contribution in 2005. The Kuwaiti delegation announced a significant new disbursement of its pledge. Japan noted its recent announcement of a new direct assistance programme. These presentations indicated that the disbursement of pledges made in Madrid had led to the implementation on the ground of a large number of physical reconstruction and capacity-building projects for Iraqis. The Expanded Meeting also recognized that resolving the issue of debt was essential for the economic future of Iraq.

12. The World Bank and the UNDG offered a progress report on the IRFFI. They reported that the vast majority of pledges made to the IRFFI had been paid in by donors and that the IRFFI had assigned almost all of this money to specific projects, many of which had begun to be implemented. Both signaled the need for additional funds for needed projects. The Expanded Meeting concluded that this represented important progress despite the constraints imposed by the security situation.

13. Ministers and other officials of the IIG made representations at the breakout sessions: Economic reform, Social Safety-Nets, Infrastructure, and Governance and Civil Society. The breakout sessions supported the needs identified in the NDS.

14. The Expanded Meeting welcomed the offer made by the Jordanian government to host the next meeting. The venue of the next meeting will be discussed in the Donor Committee Meeting on 14 October.