



KEY FIGURES:

- 25 DONORS
- 16 IMPLEMENTING UN ORGANIZATIONS
- US\$1,149 mill TOTAL GROSS DEPOSITS
- US\$973.97 mill APPROVED & FUNDED for TOTAL OF 135 PROJECTS
- US\$716 mill (74%) OF APPROVED FUNDING CONTRACTUALLY COMMITTED
- US\$612 mill (63%) OF APPROVED FUNDING DISBURSED
- US\$495 mill CONTRACT AWARDS POSTED ON WEBSITE www.irffi.org
- 25 PROJECTS OPERATIONALLY COMPLETED

1. LATEST NEWS

Gross Donor Contributions

Total UNDG ITF deposits remain at US\$1,149 million. For further details refer to Donor Contributions link on the UNDG ITF section of the IRFFI web site (www.irffi.org).

UN Secretary-General Ban Ki-moon visit to Baghdad 22 March 2007

During his visit to Baghdad, United Nations Secretary-General Ban Ki-moon met with Iraqi Prime Minister Nouri Al-Maliki and other senior Iraqi leaders. Mr. Ki-moon discussed with Mr. Al Maliki the latest developments in Iraq and explored with him the different ways the United Nations can become more effective in conducting its duties and obligations in Iraq.

During his meetings with Mr. Al-Maliki and other senior Iraqi leaders SG Ban Ki-moon stressed the need for an all-inclusive political and reconciliation process to bring down the level of violence, sectarian tensions and improve security and the human rights situation in Iraq.

The Secretary-General assured the Iraqi people that the United Nations' commitment to Iraq and the people of Iraq is unwavering and long term.



Fifth International Reconstruction Fund Facility for Iraq (IRFFI) Donor Committee and Iraq Reconstruction Forum (IRFO) meeting in Istanbul, Turkey, 19-20 March 2007

The International Reconstruction Fund Facility for Iraq (IRFFI) Donor Committee Meeting reaffirmed support for IRFFI and concluded that it should remain an important vehicle for donors to support the implementation of the International Compact with Iraq.

A commitment to increased Iraqi leadership was made through the decision reached during the meeting to pass the chairmanship of the IRFFI Donor Committee from Canada to the co-chairmanship of the Government of Iraq and the Government of Italy with Ambassador Gianludivico de Martino of Italy and Dr. Ali Baban of Iraq as the new co-chairs.

During the meeting, progress reports were presented by the UN and the World Bank to update donors on trust fund programmes, achievements, challenges and lessons learned.

The Minister of Planning and Development Cooperation, Dr Ali Baban, while acknowledging the important role IRFFI is playing in the Government of Iraq's reconstruction and development efforts, made a number of specific proposals to improve IRFFI's effectiveness and strengthen the Government of Iraq's role in setting policy directions, priorities, as well as program and project selection.

Discussions were also held with donors to ensure that the IRFFI continues to be relevant as the situation in Iraq evolves. A decision was reached to revisit the IRFFI Terms of Reference to consider required changes, including the specific proposals made by the Government of Iraq, in time for the next meeting.

The outgoing IRFFI Donor Committee chair Ambassador Michael Bell of Canada underlined that a number of important decisions were made at the meeting which will ensure that IRFFI continues to make a positive difference in the lives of Iraqis. One such decision was the establishment of an IRFFI Secretariat in Baghdad, which will be supported by the UN and the World Bank, and will further enhance Iraqi leadership in IRFFI.

The meeting was graciously hosted by the Government of Turkey, which also pledged a contribution of \$10 million to IRFFI enabling Turkey to become a full member of the Donor Committee. The next Donor Committee meeting will be held in the autumn of this year.

The UN delegation was led by the Deputy Special Representative of the Secretary-General and Resident and Humanitarian Coordinator Jean-Marie Fakhouri, and included the Executive Coordinator of the UNDG ITF, Bisrat Aklilu, Cluster Coordinators of the United Nations Country Team and some Heads of Agencies.

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*Fifth IRFFI/IRFO Meeting
19 - 20 March 2007
Istanbul, Turkey*

Latest News (continued)

The Donor Committee meeting was preceded on 19 March 2007 by a meeting of the Iraq Reconstruction Forum (IRFO), which was primarily

the vehicle for the Government of Iraq to share its vision and actions with the wider donor community.

For more information on the IRFFI meeting see the IRFFI website www.irffi.org. The decisions of the Donor Committee meeting are given on page 4 of the Newsletter.



Turkey joins the IRFFI Donor Committee as a full member

H.E. Ambassador Ertugul Apakan, Under-Secretary at the Ministry of Foreign Affairs of Turkey, during his address at the IRFFI meeting announced his Government's pledge to increase its contribution to the IRFFI to \$10 million making Turkey the eighteenth full member of the IRFFI Donor Committee.

The Under-Secretary welcomed the convening of IRFO and IRFFI as part of Turkey's support to Iraq towards its objective of developing an open and inclusive partnership with its neighbours and the international community. He praised the efforts of Iraqis to bring about an independent, unified, sovereign, and peaceful Iraq. In the Under Secretary's view IRFFI was an opportunity to coordinate assistance and contribute to improved living conditions of Iraqis.

The full membership of Turkey in the Donor Committee leaves one vacancy among the two rotating members of the Committee who represent donors contributing less than \$10 million. Consultations are under way to elect a new rotating member.

International Compact with Iraq (ICI) meeting 16 March 2007 in New York

Some 100 delegations from Member States, humanitarian agencies and regional organizations gathered at United Nations Headquarters in New York on 16 March 2007 to attend a meeting on the International Compact with Iraq (ICI). The Compact which is co-chaired by the Iraqi Government and the United Nations is a long-term initiative for Iraq that aims to consolidate peace and pursue political, economic and social development over the next five years.

Underlining the difficult situation in Iraq, the Secretary-General said, "It is heart-wrenching to see almost daily attacks on innocent civilians, which have left immense suffering and pain in their wake. Beyond the political violence and sectarian strife, a

humanitarian crisis is stretching the patience and ability of ordinary people to cope with everyday life. The United Nations is now strengthening its humanitarian efforts, and working with Iraq's neighbours and other countries in the region, to address the increasing needs of those who have left Iraq temporarily, those displaced inside the country and those suffering from diminishing access to basic public services."

He emphasized that the Compact, despite the difficult situation, is required now more than ever, as a framework for normalization. He stressed that the Compact focuses on Iraq's long-term economic development, while also stressing progress in the political and security fields, through a mutually reinforcing relationship. The Compact aims to achieve its objectives in two ways: First, a "national compact" among Iraqis on the necessary security and political steps would be agreed upon. These steps are prerequisites for the normalization of the situation in Iraq and for the revitalization of the economy. Second, an "international compact" between Iraq and its partners would set out the Government of Iraq's agenda for the next five years with regard to economic and social reform. This shared vision and mutual commitment would allow the international community to channel support in accordance with the priorities decided upon by Iraqis themselves.

The Compact, the Secretary-General underlined, should be seen as a tool for unlocking Iraq's own potential. It seeks to achieve concrete results in the areas of public sector resource management, institution building and human development, in line with the United Nations Millennium Development Goals. It also emphasizes a more holistic approach to energy management. Toward that end, the Government's recent efforts to adopt new oil and gas legislation were encouraging. Indeed, a viable arrangement to share the nation's oil wealth and natural resources can also help build much-needed trust and confidence among Iraqi communities.

The Secretary-General has appointed Mr. Ibrahim Gambari, the former head of the United Nations Department for Political Affairs, as his Special Advisor on and co-chair of the International Compact. The launch of the International Compact will take place on 3 May 2007 in Sharm el-Sheik, Egypt.

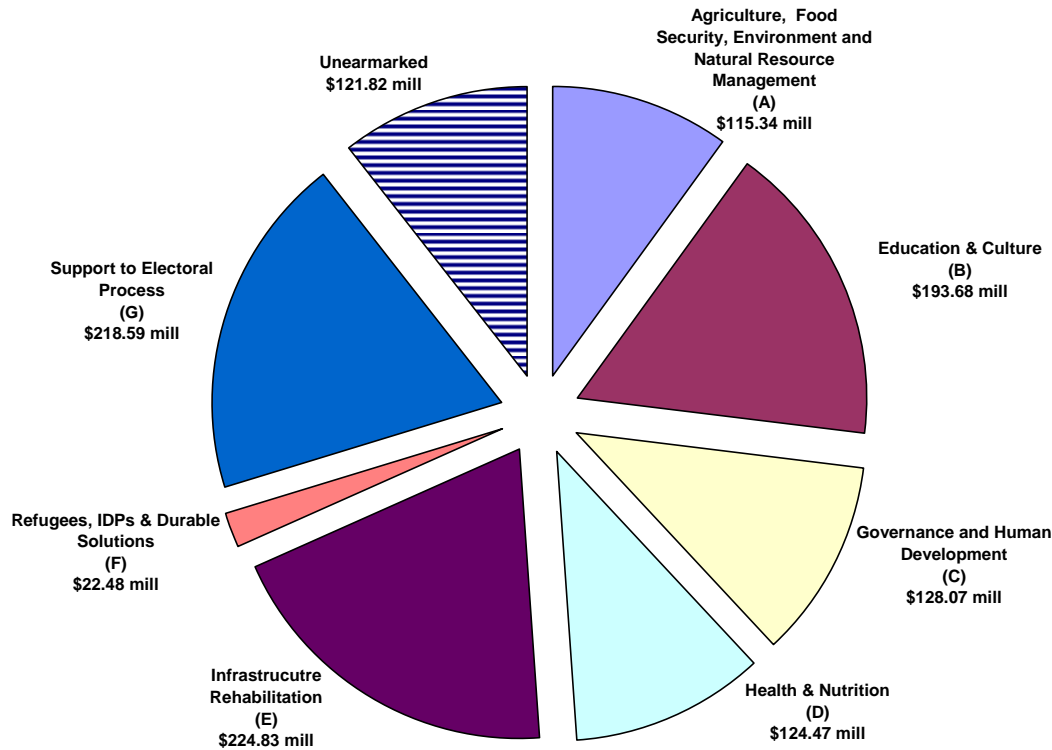
CONTRACT SCAM ALERT

The United Nations Development Group (UNDG) Iraq Trust Fund (ITF) is currently aware of fictitious communication, including electronic mail, letters, fax messages, that is being sent by a person(s) using the name Tony Merchant purporting to award contracts for the supply of goods on behalf of the UNDG ITF and requesting contractors payment of registration fees.

The UNDG ITF has posted on its IRFFI webpage a "Contract Scam Alert" advising contractors of this scam that UNDG ITF does not require any registration fee from prospective suppliers and only Participating UN Organizations of the UNDG ITF request, review and subsequently award contracts. It has also brought this fraud to the attention of concerned member states from where the scam messages have originated and requested potential contractors that receive such fraudulent messages to forward it to scamalert@undp.org for investigation.

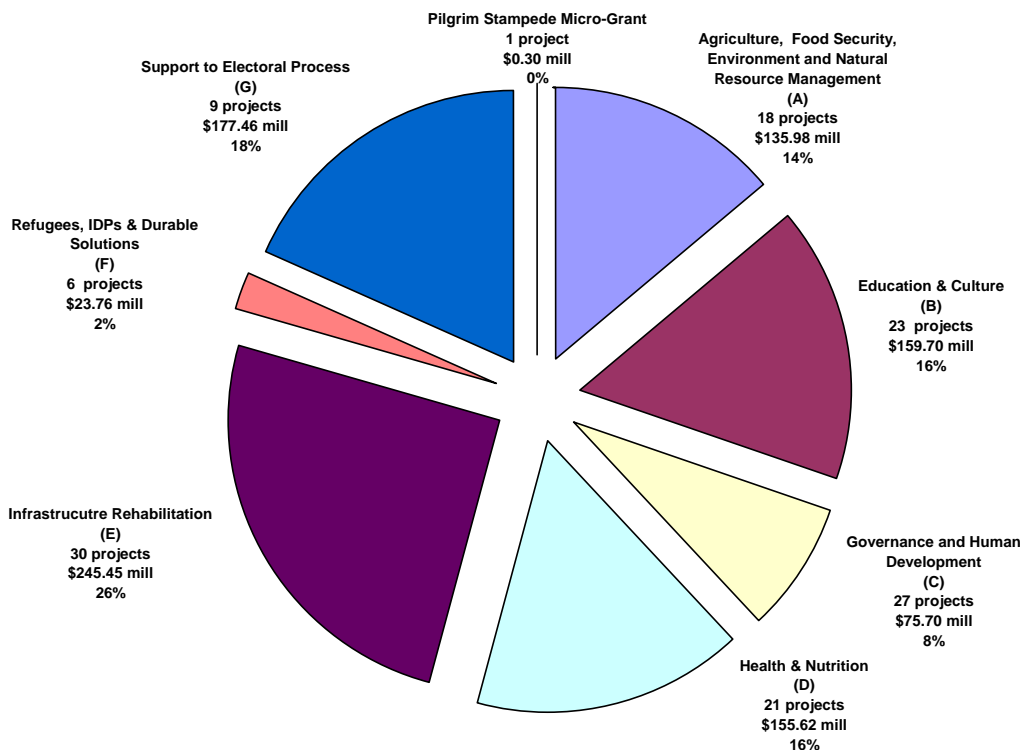
2. FINANCIAL SUMMARY

2.1 Donor Deposits, breakdown by Cluster and Donor (\$US mill)



Donor	Gross Deposit (US\$ mill)
EC	473.49
JAPAN	360.95
SPAIN	62.63
UK	55.54
CANADA	46.40
ITALY	29.78
AUSTRALIA	23.96
DENMARK	12.41
KOREA	11.00
SWEDEN	10.62
GERMANY	10.00
NORWAY	7.01
NETHERLANDS	6.70
FINLAND	6.23
INDIA	5.00
KUWAIT	5.00
QATAR	5.00
USA	5.00
GREECE	3.63
NEW ZEALAND	3.36
LUXEMBOURG	2.32
BELGIUM	1.32
IRELAND	1.23
ICELAND	0.50
TURKEY	0.20
TOTAL	1,149.29

2.2 Approved Funding, breakdown by Cluster and Implementing UN Organization (\$US)



Agency	Approved Funding (US\$ mill)	No. of Projects
UNDP	280.80	26
UNOPS	170.33	23
UNICEF	138.46	16
WHO	107.50	16
UNESCO	40.19	14
UNHABITAT	58.39	8
FAO	77.24	7
UNIDO	21.88	5
UNHCR	13.42	4
ESCWA	8.34	4
UNEP	16.61	3
UNIFEM	4.21	3
WFP	14.19	2
ILO	2.00	2
UNFPA	12.60	1
UNDP/EAAD	7.80	1
TOTAL	973.97	135

3. Fifth IRFFI Donor Committee Meeting - Istanbul, Turkey 20 March, 2007

Official Conclusions adopted at the Donor Committee Meeting:

Donors agree in principle that:

After 3 years of existence, the purpose of IRFFI needs to better reflect the current situation of Iraq, including assisting the Government of Iraq make use of its own resources and ensure these funds achieve real improvement in service delivery. This includes the desire of the Government of Iraq to play a stronger role in setting policy directions, priorities, as well as program and project selection under IRFFI.

IRFFI should capitalize on achievements and successes, and focus future efforts in areas where the UN and the Bank have demonstrated that they have a comparative advantage. These areas are generally well identified in the UN Development Assistance Strategy, and Joint Priority Action Plan, as well as in the World Bank's Note entitled "Future Directions".

IRFFI should be extended and continue to receive adequate levels of support from Donors for the Bank's and UN's priority programs, including as they support the implementation of the International Compact with Iraq (ICI), as well as capacity building for budget execution.

Donors agree on the following actions:

A) Establish an IRFFI secretariat in Baghdad, based on the IRFFI terms of reference (TORs), with the support of the UN and World Bank;

B) The Facility Coordination Committee, with the co-chairs, will initiate within six weeks of the Istanbul Donor Committee meeting a review of the TORs of IRFFI, with a view to developing proposals or options for specific changes in the TORs for presentation at the next Donor Committee meeting (within six months). The review should:

- Draw lessons learned from IRFFI experience to date, including the results of the internal reviews carried out by the UN and the Bank;
- Draw lessons from the experience of other Multi-Donor Trust Funds, including those highlighted in the World Bank/Norway Review of Post Crisis Multi Donor Trust Funds (Feb. 2007);
- Take into consideration the concerns expressed by Donors and the Iraqi Government at the Istanbul meeting of the IRFFI Donor Committee, as well as written comments provided by Donors and the Iraqi Government.

Among others, the proposals from the review should address:

- The future mandate of the Baghdad secretariat;
- Modalities for the representation of line ministries on all clusters;
- Modalities for presentation of specific programs or projects by MOPDC, in line with the final, revised National Development Strategy and the ICI, for consideration under IRFFI;

- Participation of a representative from the ISRB on the UNDG Steering Committee;
- The future mandate of the IRFFI Donor Committee, including the TORs for the Chair;
- The outcomes of the Multi-donor Stocktaking Review.

C) As an interim measure, the Donor Committee will be co-chaired by the Government of Italy and the Government of Iraq for a one-year period (i.e. two regular meetings of the Donor Committee), under the following modalities:

- The co-chairs will be guided by the practices established under the chairmanship terms of Japan and Canada, subject to review and notice within one month of the Istanbul Donor Committee meeting by the donors that the terms of reference of the co-chair arrangement are not in violation of the trust funds' fiduciary or prudential standards;
- The co-chairs will convene bi-annual meetings of the Donor Committee, in such venue that will allow broad participation by Donors, the UN, World Bank and the Government of Iraq;
- Moreover, the co-chairs will convene quarterly meetings of Donor Committee representatives in Baghdad to receive and review status updates of the biannual progress reports from the IRFFI Secretariat;
- In cooperation with the FCC, the co-chairs will set the agenda and generally guide the preparations for the meetings;
- The co-chairs will provide guidance to the UN and the Bank, on behalf of donors, in the preparation of progress reports for the Donor Committee Meetings;
- Italy as co-chair will coordinate donor input and will serve as representative of IRFFI Donor Committee members in forums such as the Compact Steering Committee;
- Iraq as co-chair will coordinate strategic input from Sector Working Groups and the Baghdad Coordination Group. As part of its duties, Iraq will convene regular meetings of all Sector Working Groups.

D) The IRFFI Donor Committee requests that the UN and World Bank improve visibility of donors' contributions, as a whole, to the Trust Funds.

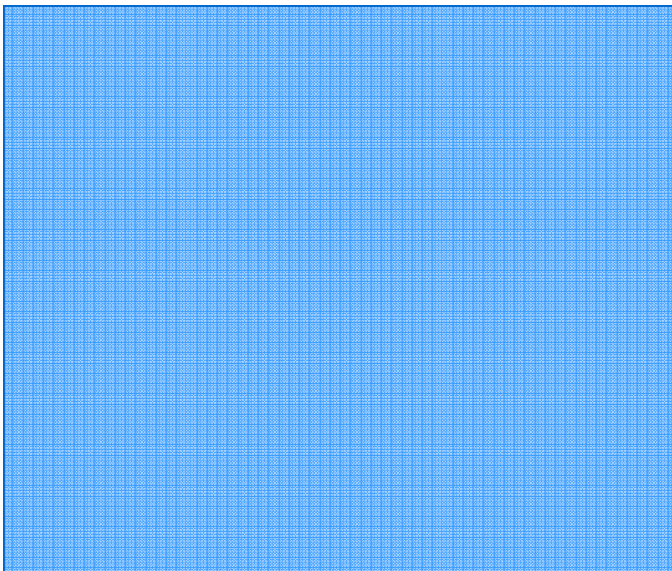
***The UNDG ITF Fifth Six Month Progress Report
Is under preparation and will be submitted to the
Ministry of Planning and Development Cooperation
and donors end April/early May 2007***

4. Multi-Donor Stocktaking Review of IRFFI

As discussed at the Fifth IRFFI Donor Committee Meeting in Istanbul the IRFFI Multi-donor Stocktaking Review has now been launched through UNOPS. The review is led by a Review Steering Committee (RSC) which agreed that Canada will pay for the review through a separate grant to UNOPS. UNOPS is supporting the review by signing an agreement with Canada, issuing the expression of interest, the restricted tender request for proposals, and by contracting the successful firm. Substantive oversight of the review will be provided by the RSC itself, including by Canada in the role of RSC Chair.

The Stocktaking Review is aimed at providing an independent, results-based assessment of the appropriateness, efficiency and effectiveness of IRFFI-supported programmes. While it is too early to measure the full impact of these programmes, it is important to examine the implementation, results achieved thus far, draw lessons and take corrective actions as appropriate. The RSC will work closely with the Government of Iraq, the UN, and the WB in carrying out the Stocktaking Review, so as to build on and complement the internal reviews conducted by the UN and WB in 2006. The review will be important for both the accountability of the Iraqi authorities to the Iraqi people, as well as donor agencies to their taxpayers. It is expected that the review may also help the international community in the design of Multi-donor Trust Funds in other complex crises.

Expressions of Interest have now been received from 8 consulting companies with experience in working in Iraq. The Request for Proposals (RFP) has been launched as of 11 April and is closing on May 11, 2007. The Review Steering Committee (RSC), comprised of representatives from DFID, the European Commission, Japan, and CIDA, is scheduled to meet on 14 May in Copenhagen for 3-4 days to evaluate the proposals. Initial results from the review are expected in August.



4. PROJECT COMMITMENTS & DISBURSEMENTS

Implementing UN agencies have to date **legally committed \$716 million and disbursed \$612 million of total approved funding (which amounts to \$974 mill for the implementation of 135 projects)**. Tables 4.1 and 4.2 provide a summary of project commitments and disbursements by UN Cluster and Participating UN Organization, respectively. Figures for the period March 2007 are based on latest available information from various operational units of the Iraq UN Country Team and provide updates on the progress made in 2007. **As of end March 2007, agencies' average commitment and disbursement rates amount to 74% and 63% of approved funding, respectively.**

Table 4.1 CLUSTER COMMITMENTS AND DISBURSEMENTS SUMMARY, US\$ 000s

CLUSTER	APPROVED FUNDING	2004-2006		2007		TOTAL	
		July 2004-End December 2006 ACTUALS		January 2007 - End March 2007 ACTUALS		July 2004 - End March 2007 ACTUALS	
		COM ^A	DISB ^B	COM ^C	DISB ^D	COM	DISB
A Agriculture, Food Security, Environment and Natural Resource Management	135,978	92,336	67,031	5,470	6,213	97,806	73,244
						72%	54%
B Education and Culture	159,705	122,510	97,389	6,942	3,685	129,452	101,075
						81%	63%
C Governance and Human Development	75,699	30,411	29,353	3,019	2,999	33,430	32,352
						44%	43%
D Health and Nutrition	155,615	85,581	69,488	3,339	7,895	88,920	77,383
						57%	50%
E Infrastructure Rehabilitation	245,447	173,038	140,437	5,483	4,134	178,521	144,570
						73%	59%
F Refugees, IDPs and Durable Solutions	23,765	21,645	20,875	1,496	0	23,141	20,875
						97%	88%
G Support to Electoral Process	177,457	164,449	162,277	221	304	164,670	162,581
						93%	92%
* Emergency Response Pilgrim Stampede Micro-Grant	300	274	261	21	17	295	278
						98%	93%
TOTAL	973,966	690,243	587,112	25,992	25,247	716,235	612,359
						74%	63%

* Humanitarian Emergency Project funded from Fund Earned Interest

NOTES:

A/ Legally binding contracts signed in 2004, 2005 and 2006 (including multi-year commitments which may be disbursed in future years)

B/ Disbursements made in 2004, 2005 and 2006

C/ New legally binding contracts signed in 2007

D/ Disbursements made in 2007 (including disbursements made against outstanding 2004, 2005 and 2006 commitments)

Table 4.2 AGENCY COMMITMENTS AND DISBURSEMENT SUMMARY, US\$ 000s

AGENCY	APPROVED FUNDING	2004-2006		2007		TOTAL	
		July 2004-End December 2006 ACTUALS		January 2007 - End March 2007 ACTUALS		July 2004 - End March 2007 ACTUALS	
		COM ^A	DISB ^B	COM ^C	DISB ^D	COM	DISB
ESCWA	8,340	5,107	3,616	880	686	5,987	4,302
						72%	52%
FAO	77,244	55,049	33,393	2,112	4,044	57,161	37,437
						74%	48%
ILO	2,004	315	316	0	0	315	316
						16%	16%
UNDP	280,798	181,047	164,754	1,522	2,498	182,569	167,253
						65%	60%
UNDP/EAAD	7,802	6,710	5,310	47	47	6,757	5,357
						87%	69%
UNEP	16,605	16,488	13,950	0	292	16,488	14,241
						99%	86%
UNESCO	40,186	27,099	23,091	1,948	843	29,047	23,934
						72%	60%
UNFPA	12,603	9,146	6,382	63	110	9,209	6,492
						73%	52%
UNHABITAT	58,393	48,061	37,587	2,725	4,376	50,786	41,962
						87%	72%
UNHCR	13,423	11,927	11,799	1,496	0	13,423	11,799
						100%	88%
UNICEF	138,463	101,447	73,652	7,438	1,788	108,886	75,440
						79%	54%
UNIDO	21,876	7,650	7,166	1,414	730	9,063	7,896
						41%	36%
UNIFEM	4,213	3,406	3,406	0	0	3,406	3,406
						81%	81%
UNOPS*	170,326	133,761	130,805	3,075	1,852	136,837	132,657
						80%	78%
WFP	14,194	12,169	7,659	1,357	4,614	13,527	12,273
						95%	86%
WHO	107,496	70,862	64,226	1,914	3,366	72,776	67,592
						68%	63%
TOTAL	973,966	690,243	587,112	25,992	25,247	716,235	612,359
						74%	63%

* includes Humanitarian Emergency Project funded from Fund Earned Interest

NOTES:

A/ Legally binding contracts signed in 2004, 2005 and 2006 (including multi-year commitments which may be disbursed in future years)

B/ Disbursements made in 2004, 2005 and 2006

C/ New legally binding contracts signed in 2007

D/ Disbursements made in 2007 (including disbursements made against outstanding 2004, 2005 and 2006 commitments)

5. CONTRACTS AWARDED UNDER UNDG ITF-FUNDED PROJECTS

Table 6.1 Value and Number of Awards by Country US\$ (as posted on website www.irffi.org)

VALUE AND NUMBER OF AWARDS BY COUNTRY										
Country	July- Dec 2004		Jan- Dec 2005		Jan-Dec 2006		Jan - Feb 2007		Total 2004 - 2006	
	Awards	Amount	Awards	Amount	Awards	Amount	Awards	Amount	Awards	Amount
Australia	1	15,664	2	473,222					3	488,886
Austria	4	641,557	13	4,469,176	2	124,812	1	28,715	20	5,264,260
Bahrain			7	2,337,656					7	2,337,656
Belgium	1	22,500,000							1	22,500,000
Canada			4	187,228	1	12,000			5	199,228
China	20	34,872,695	10	13,509,110					30	48,381,805
Croatia			1	11,780					1	11,780
Cyprus			3	219,835					3	219,835
Czech Republic	1	287,522	2	5,980,425	1	23,681			4	6,291,628
Denmark	8	11,118,139	17	20,588,584	15	737,367			40	32,444,090
Egypt	11	210,364	23	895,763	2	40,927			36	1,147,054
Finland			2	211,154					2	211,154
France	4	210,377	21	1,857,513	3	654,094			28	2,721,984
Germany	9	1,473,443	60	6,504,379	19	11,482,237			88	19,460,059
India	1	26,496	10	1,859,428					11	1,885,924
Indonesia			1	112,000	1	2,948			2	114,948
Iran (Islamic Republic of)	1	56,980	3	55,635					4	112,615
Iraq	78	8,128,524	459	49,184,686	177	25,890,986	3	1,005,243	717	84,209,439
Ireland			2	79,696					2	79,696
Italy	6	1,603,691	30	7,459,626	5	174,317	1	132,699	42	9,370,333
Japan	8	17,317,159	20	52,058,896	6	342,219			34	69,718,274
Jordan	51	6,295,890	127	12,574,369	110	1,049,459	8	89,846	296	20,009,564
Kenya			1	284,457					1	284,457
Kuwait	1	304,750	13	3,623,003					14	3,927,753
Lebanon	3	2,637,565	13	2,263,206					16	4,900,771
Liechtenstein	1	22,700,000							1	22,700,000
Morocco			1	16,400					1	16,400
Netherlands	10	1,784,903	22	4,125,272	5	975,210			37	6,885,385
New Zealand	1	160,997							1	160,997
Norway	1	41,000			1	4,962			2	45,962
Oman	4	493,485	6	1,457,456	4	489,610			14	2,440,551
Pakistan			1	15,062					1	15,062
Saudi Arabia			4	314,019	1	153,000			5	467,019
Slovenia			2	380,980					2	380,980
South Africa			3	42,188	1	6,700			4	48,888
Spain			2	150,595	1	24,623			3	175,218
Sudan			1	78,975					1	78,975
Sweden	2	12,680,046	3	106,731	4	166,529			9	12,953,306
Switzerland	5	184,332	26	2,957,502	1	27,660			32	3,169,494
Syrian Arab Republic			3	463,061					3	463,061
Thailand	1	8,221	1	43,836					2	52,057
Tunisia	2	38,650	2	47,340					4	85,990
Turkey	6	2,446,956	1	452,500					7	2,899,456
United Arab Emirates	1	32,500	7	41,390,975	5	100,142	1	2,760	14	41,526,377
United Kingdom	23	14,596,065	57	37,540,997	27	2,271,854	1	65,490	108	54,474,406
United States	8	1,562,414	18	7,821,762	8	249,642	1	9,800	35	9,643,618
Total	273	164,430,385	1,004	284,206,478	400	45,004,979	16	1,334,553	1,693	494,976,395

To date, **contracts** for a total value of **\$ 495 mill** awarded to **Suppliers** from **47 countries** are posted on the IRFFI website.

Contract award details, procurement method, for what, to whom, when and for how much posted on the website

UNDG ITF Contract Scam Alert!
For details please refer to **Page 2**

Also see www.irffi.org