

The World Bank Iraq Trust Fund

Financial Status as of May 31, 2006



1. Pledges, Commitments and Deposits

Pledges, Commitments and Deposits. Seventeen donors have pledged US\$457 million to the ITF, and deposited US\$454 million in the ITF account. Table 1 shows status of pledges, commitments and deposits as of June 1, 2006.

Table 1: Donor Pledges, Commitments and Deposits to the ITF

Donors	Pledges in Donor Currency ^{1/}		Pledges (US\$ million)	Commitments ^{2/} (US\$ million)	Deposits (US\$ million)
	Currency	Currency (million)			
Australia	AUD	22.0	16.1	16.1	16.1
Canada	CAD	30.0	22.3	22.3	22.3
EC	EUR	123.0	149.8	149.8	149.8
Finland	EUR	2.0	2.6	2.6	2.6
Iceland	USD	1.0	1.0	1.0	1.0
India	USD	5.0	5.0	5.0	5.0
Japan	USD	130.0	130.0	130.0	130.0
Korea ^{3/}	USD	4.0	4.0	4.0	4.0
Kuwait	USD	5.0	5.0	5.0	5.0
Netherlands	EUR	5.0	6.2	6.2	6.2
Norway ^{3/}	NOK	45.0	6.7	6.7	6.7
Qatar	USD	5.0	5.0	5.0	2.5
Spain	USD	20.0	20.0	20.0	20.0
Sweden	SEK	40.0	5.8	5.8	5.8
Turkey ^{3/}	USD	1.0	1.0	1.0	1.0
United Kingdom	GBP	40.0	71.4	71.4	71.4
United States	USD	5.0	5.0	5.0	5.0
			456.8	456.8	454.3

^{1/} The Islamic Republic of Iran has pledged US\$ 10 million to IRFFI at the Tokyo Meeting. The allocation between the World Bank and the UNDG Trust Funds is still pending.

^{2/} The "Commitments" column shows commitments in currencies other than US\$ converted at the exchange rate as of the date of the agreement and is for indicative purposes only. The "Deposits" column shows the actual US\$ equivalent amount credited to the ITF account.

KEY FIGURES:

- 17 donors deposited US\$454 million to date.
- Ten projects approved for a total value of US\$385 million.
- Eight projects are implemented by Iraqi institutions (6 ministries and one municipality)
- One project completed and closed
- US\$193.1 million contractually committed
- Contract awards amounting to US\$93 million
- 600 Iraqi civil servants trained, paving the way for emergency operations
- Almost 79 million textbooks distributed to 6 million Iraqi school children throughout Iraq
- Major rehabilitation of 135 schools completed

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2. Status of ITF-Financed Projects

ITF Project Summary. The ITF finances ten projects totaling US\$385 million. Eight projects (US\$375 million) are implemented by Iraqi line ministries. Thus, 97% of the US\$385 obligated to projects is implemented by the government of Iraq. Iraqi implementation minimizes security costs, maximizes local employment, builds institutional capacity, and increases local ownership and sustainability. Two capacity building projects, (valued at about US\$10 million) are implemented by the World Bank. Table 2 summarizes the status of the projects financed by the ITF as of June 1, 2006.

Table 2: Summary of Projects Financed by the World Bank Iraq Trust Fund

Emergency Project	Grant (US\$ m)	Implementing Agency	Grant Signing	Objective / Impact
First Capacity Building	3.6	World Bank	2/14/04	Closed. Trained about 600 Iraqi officials, paving the way for emergency operations.
Textbook Provision	40.0	Min. of Education	5/15/04	The project financed the printing and distribution of more than 79 million textbooks, benefiting 6 million students in all 19,000 primary and secondary schools for the 2004/05 school year. Cost savings of \$9 million, from using competitive procurement procedures, were used to deliver an additional 3.5 million textbooks for 2005/06. A capacity building activity to improve textbook quality will take place this year before the project closes.
School Rehabilitation and Construction	60.0	Min. of Education	10/14/04	Major rehabilitation of 134 schools is complete and 9 contracts for constructing 18 new schools are in the bid evaluation stage, with construction to start by July 2006. The project benefits over 100,000 families with children attending unsafe or overcrowded schools and will create thousands of jobs through use of Iraqi construction firms.
Baghdad Water Supply and Sanitation	65.0	Municipality of Baghdad	12/4/04	The project will benefit about one million residents of Baghdad—about 17 percent of the city's population—by rehabilitating water supply and sanitation throughout the city. The mayoralty has contracted local and international consultants to prepare tender documents and detailed designs, and has now moved to the construction phase—it has signed contracts for US\$8.5 million of goods and works. Also, it has recruited a team of advisors to help prepare and implement a Baghdad Comprehensive City Development Plan.
Health Rehabilitation	25.0	Min. of Health	12/4/04	The project finances rehabilitation of priority emergency services, including emergency obstetric care, in 11 selected hospitals, & provides emergency health management training (EHMT). Local firms have finalized detailed civil work designs. Rehabilitation of 2 health units has commenced (Missan and Salaheddine) & 3 others will begin in July 06. Five health officials participated in the 1 st module of the EHMT provided by the University of Maryland in January 2006. The 2nd module is expected to take place this summer.
Second Capacity Building	7.0	World Bank	12/6/04	The project follows up the first capacity building project to help the authorities tackle medium-term policies, focusing on economic management, public sector management, and social safety nets. So far, more than 24 workshops have trained about 375 participants.
Private Sector Development	55.0	Min. of Planning and Min. of Telecom.	12/6/04	Procurement is underway, although delayed, for the supply and installation of a high-capacity national telecommunications network. Procurement for consultancy services for remaining components is underway, including feasibility studies for industrial estates in Arbil, Basra.
Water, Sanitation, and Urban Reconstruction	90.0	Min. of Municipalities and Public Works	12/8/04	The project finances high-impact water supply and sanitation rehabilitation in 9 governorates; and urban reconstruction in the poorest areas of 3 governorates, benefiting over 2 million people. The design phase is completed and the first phase of civil works has commenced. A US\$27 million contract is underway for urban rehabilitation and upgrading of the water supply system of Badawa. Procurement of other rehabilitation work is underway.
Community Infrastructure Rehabilitation	20.0	Min. of Water Resources	12/18/04	The project finances a flexible program of labor-intensive civil works to generate near-term employment while improving rural water infrastructure (irrigation, drainage, and water supply). 15 subprojects amounting to US\$12.5 million are underway, of which 5 are completed. In all, the project will finance 20 subprojects, creating more than 20,000 jobs.
Disabilities Project	19.5	Min. of Health	11/23/05	Aims to improve services to the disabled by developing a comprehensive policy and legal framework for disabilities, strengthening government-NGO partnerships, and reconstructing 14 rehabilitation centers.
TOTAL	385.1			

3. ITF Disbursements and Contracting

Disbursements, which lag behind implementation and reflect actual payments made to contractors, currently stand at about US\$ 60.2 million (13 % of ITF resources). About US\$53 million (89% of disbursements) represent project expenditures. Disbursements for the Iraqi-implemented projects stand at almost US\$48.1 million, while disbursements for the two Bank-executed capacity building projects (one of which is completed and closed) total less than US\$5 million. Table 3 summarizes the overall sources and uses of funds for the ITF from inception through May 31, 2006.

Disbursements for cost recovery charges stand at US \$7.3 million. Approximately US\$4 million has been charged directly to the ITF to recover the actual full costs for project analysis, appraisal, negotiation, and supervision. The costs for trust fund management and administration, monitoring agent services, and administrative fees total less than US\$3 million. Total cost recovery remains at less than 2% of the ITF resources. Current projections of the total cost recovery charges over the life of the ITF are estimated to be about 5% of the value of the fund.

Table 3: Sources and Uses of ITF Funds (US\$ million)

	Funding Available
Sources of Funds	
Donor Deposits	454.2
Investment Income	19.0
Total Sources of Funds	473.2
Uses of Funds	
Approved Grants	
Emergency Textbook Provision	40.0
Emergency Education Rehabilitation	60.0
Emergency Health Rehabilitation	25.0
Emergency Water Supply, Sanitation & Urban Reconsruction	90.0
Emergency Baghdad Water Supply	65.0
Emergency Private Sector Development	55.0
Emergency Community Infrastructure	20.0
Emergency Disabilities	19.5
Capacity Building I	3.6
Capacity Building II	7.0
Subtotal Approved Grants	385.1
Project Pipeline	67.9
Total Project Financing	453.0
Cost Recovery for Project Processing and Trust Fund Administration	20.2 1/
Total Use of Funds	473.2

1/ Includes estimated requirements for Project Processing, Monitoring Agent, and Trust Fund Management and Administration over the life of the ITF.

Although disbursement progress remains slow, the pace of contracting has accelerated. About half of ITF grant monies have been tendered or contracted, valued at more than US\$193 million. Over US\$92 million of contracts have been awarded or completed – an increase of almost 40% above the level of December 31, 2005. Table 4 summarizes the status of contracts by project as of May 31, 2006.

Civil works and goods account for about 80% of total estimated project costs. Consultant services (mainly local consultants) account for only about 9% of estimated project costs. About 90% of works, goods, and services are subject to competitive procurement procedures, which are carried out by the Iraqi implementing agencies (with the Bank’s close assistance and supervision).

Table 4: Status of Contracts by Project (US\$ million)
(Grants Implemented by the Iraqi Government)

ITF Project	Grant Amount	Tenders or RFPs Issued	Contracts Signed
Textbook Provision	40.0	38.8	38.5
School Construction & Rehabilitation	60.0	33.1	10.1
Baghdad Water Supply & Sanitation	65.0	12.5	7.7
Health Rehabilitation	25.0	19.8	2.7
Private Sector Development	55.0	47.7	0.1
Water Supply, Sanitation, Urban Reconstruction	90.0	27.3	25.5
Community Infrastructure	20.0	12.9	8.1
Disabilities	19.5	0.9	-
TOTAL	374.5	193.1	92.8

