

World Bank Assistance Strategy

The Second Interim Strategy Note for Iraq was presented to the World Bank Board of Directors on September 15, 2005. The Bank's overarching objective is to help Iraq build efficient, inclusive, transparent and accountable institutions for stability, good governance, and sustainable economic prosperity.

The Bank Group's work program is organized into four pillars, supporting government efforts to: (i) restore basic services; (ii) enable private sector development; (iii) strengthen social safety nets; and (iv) improve public sector governance. The endorsement of this strategy paved the way for a US\$500 million IDA 14 allocation for lending in priority sectors, and for the provision of analytic and advisory work clustered around the four pillars.

The International Reconstruction Fund Facility for Iraq (IRFFI)

IRFFI aims to help donors channel resources and coordinate support for reconstruction and development in Iraq in line with Iraq's priority program through two trust funds: the World Bank Iraq Trust Fund (ITF), and the UN Development Group Trust Fund. The ITF finances sixteen grants totaling about US\$437 million, thereby committing nearly all donor deposits (US\$465 million). The ITF's closing date was extended to December 31, 2010, to allow existing projects to complete.

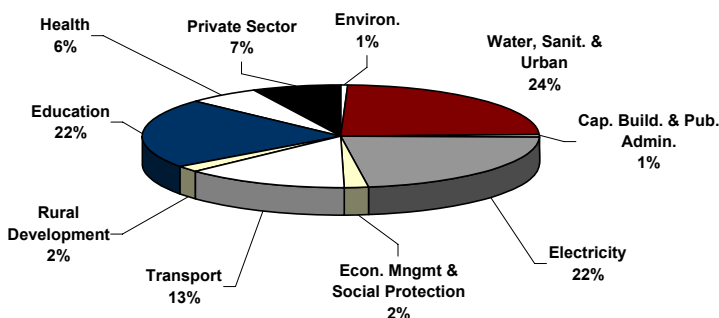
World Bank ITF Donor Deposits

	Deposit Amount
Australia	16.1
Canada	26.7
European Commission	150.0
Finland	2.6
Iceland	1.0
India	5.0
Japan	130.6
Korea	9.0
Kuwait	5.0
Netherlands	6.2
Norway	6.7
Qatar	2.5
Spain	20.0
Sweden	5.8
Turkey	1.0
United Kingdom	71.4
United States	5.0
Total Iraq Trust Fund	464.6

Publicly Available Economic & Sector Reports

- Rebuilding Iraq: Economic Reform and Transition (2006)
- Pensions in Iraq: Issues, Guidelines for Reform & Fiscal Implications (2005)
- Considering the Future of the Iraqi Public Distribution System (2005)
- Social Protection in Transition - Labor Policy, Safety Nets & Pensions (2005)
- Building a Sustainable Investment Climate in Iraq (2004)
- State Owned Enterprise Reform in Iraq (2004)
- Leveraging WTO Accession for a Strategy of Econ. Reform for Iraq (2004)

Sectoral Distribution of Active WB Lending (IDA& ITF)



Project Portfolio

	Approval Date	Project Amount	Undisb. Amount	Implementing Agency
Iraq Trust Fund Projects				
Completed Projects				
Capacity Building I *	Feb-04	3.6	-	World Bank
Textbook Provision	May-04	40.0	-	Ministry of Education
Active Projects				
School Reconstruction & Rehabilitation	Oct-04	60.0	43.3	Ministry of Education
Capacity Building II *	Nov-04	7.0	2.6	World Bank
Health Sector Rehabilitation	Nov-04	25.0	16.6	Ministry of Health
Private Sector Development	Nov-04	55.0	50.6	Ministry of Planning & Dev. Coop.
Baghdad Water Supply & Sanitation	Dec-04	65.0	57.3	Municipality of Baghdad
Water Supply, Sanitation & Urban Recon.	Dec-04	110.0	91.4	Ministry of Munic. & Public Works
Community Infrastructure	Dec-04	20.0	4.0	Ministry of Water Resources
Disabilities	Nov-05	19.5	18.0	Ministry of Health
Social Protection	Jun-06	8.0	7.8	Ministry of Labor & Social Affairs
Household Survey & Policies TA *	May-06	1.5	0.3	World Bank
Household Survey & Policies Grant	Jul-06	5.1	2.0	Ministry of Planning & Dev. Coop.
Marshlands School Construction	Oct-06	6.0	6.0	Ministry of Education
Environmental Management	Dec-06	5.0	5.0	Ministry of Environment
Emergency Electricity	Mar-07	6.0	6.0	Ministry of Electricity
Total ITF		436.7	310.8	

IDA Credits

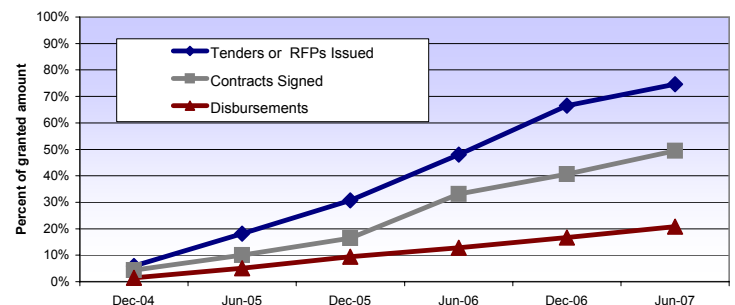
	Approval Date	Project Amount	Undisb. Amount	Implementing Agency
Third Emergency Education	Nov-05	100.0	100.0	Ministry of Education
Emergency Road Reconstruction	Jun-06	135.0	135.0	Ministry of Construction
Dokan & Derbandikhan Hydropower	Dec-06	40.0	40.0	KRG Ministry of Electricity
Emergency Electricity	Mar-07	124.0	124.0	Ministry of Electricity
Total IDA		399.0	399.0	

* These projects are implemented by the World Bank on behalf of the Government of Iraq

Post Conflict Fund Grants (US\$)

	Approval Date	Grant Amount	Undisb. Amount
Emergency Health Assistance to Burn Unit at Karama Hospital in Baghdad	Jul-05	707,242	250,000
CSA - Launch of a Social Development Knowledge Network	Aug-06	96,054	-
CSA II - Management of Social Development Knowledge Network	Feb-07	264,140	92,839
Emergency Primary Health Care assistance to Southern Marshlands area	Oct-07	630,248	630,248

Status of Contracting and Disbursement (Iraqi executed ITF projects only)



Status of Projects in Portfolio

ITF Financed Projects

Emergency School Construction & Rehabilitation Project (US\$60 million) - The project aims to improve learning conditions through the construction of 56 new schools and major rehabilitation of 133 schools, benefiting over 100,000 families with school age children.

Status: 133 schools have been rehabilitated, benefiting 46,000 students. Due to the appreciation of the Dinar, the schools construction program has had to be scaled back, 30 schools are currently under construction with 2 expected to open in December 2007.

Second Capacity Building Project (US\$7 million) - The project follows up on the First Capacity Building Project to help authorities tackle medium-term policies, focusing on economic and public sector management, and social safety nets.

Status: The project has financed about 50 workshops, training about 1,000 participants.

Emergency Health Sector Rehabilitation Project (US\$25 million) - The project will help rehabilitate emergency services in 9 selected hospitals (reduced from original 12) and provide 12 hospitals with basic medical and laboratory equipment, as well as essential drugs.

Status: Rehabilitation is complete in 4 hospitals and 3 more are underway. Works in the remaining 2 are expected to start in January 2008.

First Private Sector Development Project (US\$55 million) - The project will provide capacity building to help lay the foundation for increased investment and growth. Communications infrastructure will also be improved through the installation of a national high capacity telecommunications network.

Status: The installation of the telecommunications network is underway. Contracts for the public institution and competitiveness components, as well as the payment systems component have recently been awarded, with 95% of the project's value now committed.

Emergency Baghdad Water Supply and Sanitation Project (US\$65 million) - The project will assist in restoring basic water supply and sanitation services for Baghdad through the rehabilitation of existing priority networks and facilities, and by providing institutional support.

Status: The mayoralty of Baghdad has contracted local and international consultants to prepare tender documents and detailed designs for the construction phase. Goods & works contracts for US\$6.3 million have been signed and a team of advisors has been recruited to prepare and implement a Baghdad Comprehensive City Development Plan.

Emergency Water Supply, Sanitation and Urban Development Project (US\$110 million) - The project finances water supply and sanitation rehabilitation in 9 cities, as well as urban reconstruction in the poorest areas of 3 cities, benefiting over 2 million people. The project facilitates capacity building through the provision of training and technical support.

Status: Rehabilitation works, for a value of US\$71 million are underway. The Ministry of Municipalities and Public Works has completed a nationwide water and wastewater survey, and a national water sector study will be completed in December 2007.

Emergency Community Infrastructure Rehabilitation Project (US\$ 20 million) - The project addresses emergency needs for rural infrastructure rehabilitation by financing labor-intensive, small-scale civil works programs improving 80,000 hectares of irrigated land, benefiting over 130,000 farmers.

Status: Twenty sub-projects are complete, creating an estimated 176,500 man-days of employment, improving irrigation to 70,500 hectares of land, benefiting 121,500 farmers. The remaining 2 sub-projects are underway and expected to complete by February 2008.

Emergency Disabilities Project (US\$19.5 million) - The project supports the delivery of improved rehabilitation and prosthetic services to reduce the burden of physical disability by: (i) supporting the development of a national disabilities policy; (ii) increasing the capacity and strengthening the partnerships between GOI and other stakeholders to meet disabled needs; and (iii) upgrading infrastructure and equipment of selected rehabilitation and prosthetic centers.

Status: The design and tendering for 8 disability centers is underway and expected to be complete by January 2008. Despite delays in the procurement of goods, the training of prosthetic technicians and the capacity building at the ministry is progressing well.

Emergency Social Protection Project (US\$8 million) - The project will strengthen the policy, management and administrative capacity of the Ministry of Labor and Social Affairs, and the Ministry of Finance, to develop, manage, and monitor pension and social safety net reforms.

Status: Procurement of IT equipment for the MOF and the State Pension Fund as well as MOLSA centers in Baghdad, Basra, Najaf and Kirkuk has been launched. Redesign of the Social Safety Net Beneficiary Assessment is complete and the Pension Survey is expected to be contracted by the end of December 2007.

Household Survey & Policies Project (US\$5.1 million grant / US\$1.5 million TA) - The project will strengthen Iraq's ability to establish a poverty line, target social assistance to the neediest, and make informed policy decisions through a comprehensive household survey, data analysis, and poverty & social impact analysis. The TA side project builds local capacity to conduct the survey.

Status: Surveying of 16,500 households in all of Iraq's 18 governorates is complete, representing the first comprehensive household survey in Iraq since 1988. The analysis of the first 6 months of data is underway and the inter-ministerial committee has met to plan its work on developing a Poverty Reduction, Employment Generation and Safety Nets Strategy.

Marshlands School Construction Project (US\$6 million) - The project provides additional financing for the Emergency Schools Construction and Rehabilitation Project to finance new school construction of approximately 30 small schools in the Southern Marshlands area of Iraq, benefiting 6,000 to 8,000 children.

Status: Prototype designs and bidding packages are complete for the school construction component, and NGOs have been contracted for the site improvement small work component. The first schools are expected to open in the summer of 2008.

Emergency Environment Management Project (US\$5 million) - The project will help strengthen key institutional and regulatory functions at the Ministry of Environment to enable it to undertake policy analysis, formulate laws and regulations, monitor environmental quality, promote environmental awareness, and conduct technical studies.

Status: The procurement process is well-underway: contracts for the purchase of air quality monitoring systems have been signed, and the selection of an international firm to provide technical assistance to the Ministry of Environment is near completion.

Emergency Electricity Project (US\$6 million co-financing a US\$124 million IDA credit) - The project aims to restore the base load generating capacity of the Hartha power plant and build capacity at the Ministry of Electricity.

Status: The ITF is financing a consultant assisting the Ministry of Electricity (MOEL) with pre contract-award activities. RFPs and TORs for a consultant to carry out a feasibility study and preparing bidding documents for a natural gas power plant are under preparation. A training plan for Ministry staff, especially if connected to the project, is being prepared.

IDA credits

Third Emergency Education Project (US\$100 million) - The project will help Iraq alleviate school overcrowding through the construction of 82 new schools in 15 governorates, benefiting 57,000. The introduction of new design standards, assistance with the implementation of a national school construction and maintenance program, the financing of a comprehensive institutional support system, will lay the groundwork for education reform.

Status: The project became effective on October 15, 2007

Emergency Road Rehabilitation Project (US\$135 million) - The project will assist in the rehabilitation of highways and village access roads in central and southern Iraq. Three floating bridges will also be replaced with permanent structures

Status: The project became effective on October 15, 2007

Dokan and Derbandikhan Emergency Hydropower Project (US\$40 million) - The project is part of Iraq's overall Electricity Master Plan and will provide electricity primarily in the Kurdistan region but also nationally through its connection to the national grid. An estimated 490,000 households will benefit directly as well as a number of industries.

Status: Negotiation of the main contract for the rehabilitation needs assessment was concluded in May 2007. Due to project effectiveness delays, work on the contract could not commence until September 2007 but is now progressing satisfactorily.

Emergency Electricity Project (US\$124 million co-financed by a US\$6 million ITF grant) - The project aims to restore the base load generating capacity of the Hartha power plant and build capacity at the Ministry of Electricity.

Status: Credit effectiveness has been delayed and is now expected in December 2007. Adjudication of bids is however underway and the rehabilitation contract is expected to be awarded by the end of December 2007.