

World Bank Operations in Iraq

As of April 10, 2007



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 National Development Strategy 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\$455 million). Since the current end-disbursement date of the ITF (December 31, 2007) would not allow adequate time to finance the existing projects to completion, the Bank recommended extending the ITF to December 31, 2010, which was endorsed at the IRFFI Donor Committee meeting in Istanbul. Fifteen out of 17 donors have co-signed the amendment letter, and the extension would become effective after each donor has signed an amendment letter.

Bank Group Strategy

The Second Interim Strategy note 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: restore basic service delivery; enable private sector development; strengthen social safety nets; and improve public sector governance. The endorsement of this strategy paved the way for US\$500 million in IDA lending in priority sectors, and for the provision of advisory and analytic work clustered around the four pillars.

Stay Updated

March 29th 2007 - The Emergency Electricity Reconstruction Project (US\$124 million from IDA and US\$6 million from the ITF) was approved by the World Bank. The project aims to: (i) restore the base load generation capacity of the Hartha Power Station; and (ii) build capacity in the Iraqi ministry of electricity.

March 21st 2007 - Canada committed to the ITF an additional CND\$ 5 million. Canada's Total Commitments to IRFFI stand now at about US\$26 million.

March 20, 2007 - The Fifth IRFFI Donor Committee Meeting was held in Istanbul.

March 1, 2007 - US\$20 million additional funds are made available for the Water Supply, Sanitation and Urban Reconstruction project to cover price increases.

For more detailed information visit: www.irffi.org and www.worldbank.org/mena/iq

World Bank Iraq Trust Fund Financed Projects

Completed Projects

Project	Project Amount (US\$ mln)	Approval/Effective Date	Implementing Agency
Capacity Building I	3.6	Feb-04	World Bank
Textbook Provision	40.0	May-04	Ministry of Education

Active Projects

Project	Project Amount (US\$ mln)	Approval/Effective Date	Implementing Agency
School Reconstruction & Rehabilitation	60.0	Oct-04	Ministry of Education
Capacity Building II	7.0	Nov-04	World Bank
Baghdad Water Supply & Sanitation	65.0	Dec-04	Municipality of Baghdad
Water Supply, Sanitation & Urban Reconstruction	110.0	Dec-04	Ministry of Municipalities & Public Works
Health Rehabilitation	25.0	Nov-04	Ministry of Health
Private Sector Development	55.0	Nov-04	Ministry of Planning & Development Cooperation and ITPC
Community Infrastructure	20.0	Dec-04	Ministry of Water Resources
Disabilities	19.5	Nov-05	Ministry of Health
Social Protection	8.0	Jun-06	Ministry of Labor and Social Affairs
Household Survey & Policies (Technical Assistance)	1.5	May-06	World Bank
Household Survey & Policies Grant	5.1	Jul-06	Ministry of Planning & Development Cooperation
Environmental Management	5.0	Dec-06	Ministry of Environment
Marshlands School Construction	6.0	Oct-06	Ministry of Education
Electricity Reconstruction	6.0	Mar-07	Ministry of Electricity

Total Iraq Trust Fund Projects 436.7

World Bank IDA Lending Financed Projects

Project	Project Amount (US\$ mln)	Approval Date	Closing Date	Implementing Agency
Third Emergency Education	100.0	Nov-05	Jan-09	Ministry of Education
Emergency Road Rehabilitation	135.0	Jun-06	Jun-10	Ministry of Construction/G.D.for Roads & Bridges of KRG
Dokan and Derbandikhan Hydropower	40.0	Dec-06	Dec-10	Ministry of Electricity of KRG
Electricity Reconstruction	124.0	Mar-07	Jun-11	Ministry of Electricity

Total Iraq IDA Lending Approved 399.0

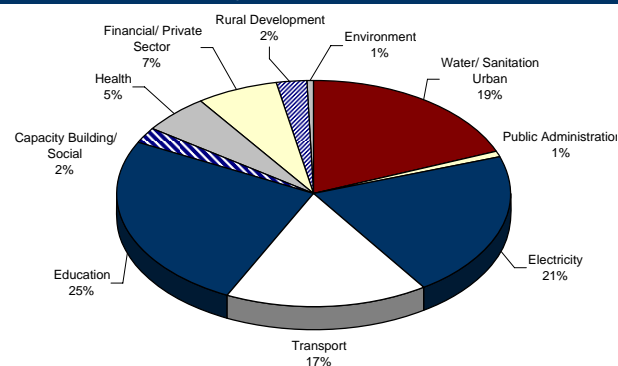
World Bank Iraq Trust Fund

Donor Pledges, Commitments, and Deposits (in US\$ million)

Donors	Pledges	Commitments	Deposits
Australia	16.4	16.4	16.1
Canada	26.0	26.0	22.3
European Commission	150.0	150.0	150.0
Finland	2.6	2.6	2.6
Iceland	1.0	1.0	1.0
India	5.0	5.0	5.0
Japan	130.6	130.6	130.6
Korea	4.0	4.0	4.0
Kuwait	5.0	5.0	5.0
Netherlands	6.2	6.2	6.2
Norway	6.7	6.7	6.7
Qatar	5.0	5.0	2.5
Spain	20.0	20.0	20.0
Sweden	5.8	5.8	5.8
Turkey	1.0	1.0	1.0
United Kingdom	71.4	71.4	71.4
United States	5.0	5.0	5.0
Total Iraq Trust Fund	461.7	461.7	455.2

Nb : US\$ equivalency estimated for pledges and commitments. Deposits reflect actual conversion rate.

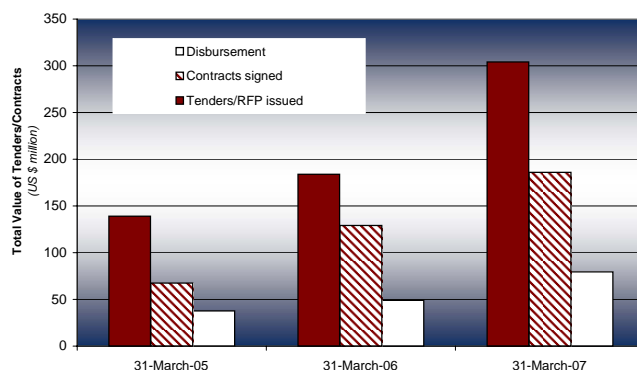
Active World Bank Iraq Program (ITF and IDA-financed Projects) Sectoral Distribution of Projects Funded



Status of Contracting and Disbursements

About 72% of the value of Iraqi-executed grants (US\$304 million out of US\$420 million) have been tendered or contracted. The value of signed contracts exceeds US\$185 million, amounting to 45% of the value of Iraqi-executed grants. Total ITF disbursements currently stand at US\$96.3 million.

World Bank ITF Projects : Iraqi-Implemented grants (13 projects)



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Implementation Status of Projects as of March 31, 2007

ITF Financed Projects Completed

First Institutional Capacity Building Project (ITF-US\$3.6 million)**Signed Feb. 2004**

Description: The project aimed to build the capacity of the Iraqi authorities, to pave the way for emergency projects. The European Commission's Rapid Response Mechanism provided €3 million to the ITF for a six-month implementation period. The project closed in August 2004.

Status: The project enabled Iraqi officials to design and implement projects and develop sector strategies. The project financed over 20 seminars, training about 600 Iraqi officials from 19 ministries, the Central Bank, universities and the private sector. Workshops addressed key topics, including project management, financial management, procurement, environmental and social safeguards, macroeconomic reform, private and financial sector development, as well as specific topics in education, health, and infrastructure.

Implemented by the World Bank / Disbursed amount : \$2.5 m / Completed and Closed Aug. 2004



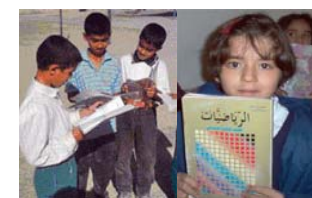
© ITF Capacity Building project

Emergency Textbook Provision Project (ITF-US\$40 million)**Signed May 2004**

Description: The objective of the project is to improve the conditions of learning and teaching through the provision of school textbooks to students in Iraq's primary and secondary schools. **Geographic Coverage:** Nationwide (18 governorates)

Status: The project has achieved its objective and financed over 82 million textbooks: 79 million textbooks benefiting 6 million students in 2004-05 plus an additional 13.5 million textbooks for 2005-06, which were financed by cost savings that resulted from competitive procurement. The project maximized local employment and built the capacity of the Ministry of Education to undertake competitive procurement procedures.

Ministry of Education / Contracted to-date: \$39.1m / Disbursed to-date: \$38.8 m / Completed Dec. 2006



© ETPP (Baghdad, May 06)

ITF Financed Projects Under Implementation

Emergency School Construction and Rehabilitation Project (ITF-US\$60 million).**Signed Oct. 2004**

Description: The project aims to improve learning conditions in primary and secondary schools through the construction of 117 new schools and major rehabilitation of 134 schools. 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. **Coverage:** Nationwide (18 governorates)

Status: Major rehabilitation of 131 schools is complete benefiting 46,000 students & 11 contracts for constructing 32 new schools were awarded so far. Civil works for new schools started in October 2006 and work is in progress.

Ministry of Education / Contracted to-date : \$34.1 m / Disbursed to-date: \$8.9 m



© ESCRP (Diwaniyah, Feb. 06)

Second Capacity Building Project (ITF-US\$7 million)**Signed Nov. 2004**

Description: The project follows up on the First Capacity Building project to help the authorities tackle medium-term policies, focusing on economic management, public sector management, and social safety nets.

Status: The project has financed 46 workshops, training about 950 participants. On 23-24 January 2007, over 70 participants attended the Drafting of the Unified Public Procurement Law Workshop, which aimed to help the government in drafting a new public procurement law and regulations.

Implemented by the World Bank / Contracted to-date: \$3.3m / Disbursed to-date: \$3.3 m



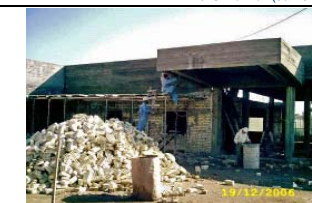
© CB2/Erbil (Jan 07)

Emergency Health and Rehabilitation Project (ITF-US\$25 million).**Signed Nov. 2004**

Description: The objective of the project is to improve access to quality emergency services in 11 selected hospitals, and provides 12 hospitals with basic medical and laboratory equipment and essential drugs. **Coverage:** Baghdad, Diyala, Kirkuk, Missan, Karbala, Anbar, Salah Deen, Erbil, Sulaimaniyah.

Status: Civil works to rehabilitate and extend 6 hospitals in Missan, Salah El Din, Erbil, south Baghdad and Kirkuk started in 2006. Contracts to rehabilitate hospitals in Karbala, Diyala and Anbar are expected to be signed in the coming month. Also, 50 doctors were trained in Emergency Preparedness and Response in the fall 2006.

Ministry of Health / Contracted to-date : \$9.2 m / Disbursed to-date: \$3.2 m



© EHRP (Al Sadr City/ Baghdad, Dec 06)

First Private Sector Development Project (ITF-US\$55 million)**Signed Nov. 2004**

Description: The project aims to lay the foundation for increasing investment and economic growth by addressing selected priorities in institutional capacity building and essential communications infrastructure (through the installation of a high-capacity national telecommunications network) to help foster the development of the private and financial sectors.

Coverage: Communication infrastructure : Baghdad, the North, South and West regions. PSD components : nationwide.

Status: The contract to supply and install a high-capacity national telecommunications network (US\$38 million) was awarded last July. Procurement for consultancy services for institutional capacity building is in the final stages, and includes feasibility studies for industrial estates in Erbil and Basra.

Minister of Planning & Development Cooperation (MOP) and Iraqi Telecommunications and Post Company / Contracted to-date : \$39 m / Disbursed to-date: \$4.2 m

**Emergency Baghdad Water and Sanitation Project** (ITF-US\$65 million)**Signed Dec. 2004**

Description: The principal objective of the project is to assist in restoring basic water supply and sanitation services for the capital city of Baghdad through: (a) the reconstruction and rehabilitation of existing priority networks and treatment facilities; and (b) providing capacity building support through training and technical assistance.

Status: The mayorality has contracted local and international consultants to prepare tender documents and detailed designs for 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.

Municipality of Baghdad / Contracted to-date: \$9.6m / Disbursed to-date: \$5.4 m



© EBWSP (Amman, 05)

Emergency Water Supply & Sanitation & Urban Development Project (ITF-US\$110 million)**Signed Dec. 2004**

Description: The project finances high-impact water supply and sanitation rehabilitation in 9 cities and urban reconstruction in the poorest areas of 3 cities, benefiting over 2 million people. It also provides capacity building support through training and technical assistance. The project will create substantial employment - estimated at a minimum of 3,000 jobs. **Coverage:** 9 cities: Karbala, Majar, Beji, Kena'an, Dohuk, Al Hussainia, Al-Samawa, Badawa & Dukan.

Status: Civil works contracts, valued at US\$27 million, are in progress for the rehabilitation and upgrading of the water supply system in Badawa (Erbil). Five other construction contracts of about US\$80 million are expected to start in the coming months. The ministry has also completed a nationwide water and wastewater survey.

Min. of Municipalities & Public Works / Contracted to-date: \$30.4 m / Disbursed to-date: \$5.4 m



© EWSSUP (Badawa/Erbil, Dec 06)

ITF Financed Projects Under Implementation (continued)

Emergency Community Infrastructure Rehabilitation Project (ITF-US\$20 million)**Signed Dec. 2004**

Description: The project aims to address emergency needs for rural infrastructure rehabilitation and generate employment. The project finances labor-intensive, small-scale civil works programs for 22 subprojects, creating over 240,000 mandays of employment, improving over 80,000 hectares of irrigated land, and benefiting over 130,000 farmers. **Coverage:** Al Muthanna, Al Amara, Nassariyah, & Sulaymaniyah. Also : Rumitha, Najaf, Karbala, Babel, Waaset, Baghdad, Diyala, Kerkook and Erbil.

Status: Fourteen subprojects amounting to US\$9 million are completed in eight governorates, creating an estimated 110,000 Man-days of employment, improving 25,000 hectares of irrigated areas, and benefiting 35,000 farmers. Eight subprojects are underway (completion rates averaging 75%); three additional subprojects in Baghdad, Najaf and Diwaniyah are scheduled to be complete in 2007.

Ministry of Water Resources / Contracted to-date: \$19.5 m / Disbursed to-date: \$11.7 m



© ECIRP (Sulaymaniyah, Sept. 06)

Emergency Disabilities Project (ITF-US\$19.5 million).**Signed Nov. 2005**

Description: The objective of the project is 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. **Coverage:** Nationwide.

Status: Ten civil works design and supervision contracts have been awarded. Construction should start in April 2007. Iraqi officials participated in a study tour in Bosnia and Herzegovina to visit modern rehabilitation centers, attend prosthetics workshops, and gain experience in managing disabilities in a post-conflict situation (Sep. 2006)

Ministry of Health / Contracted to-date: \$2.6 m / Disbursed to-date: \$0.3 m



© EDP (Bosnia Study Tour, Sept. 06)

Emergency Household Survey & Policies Grant (ITF-US\$5.1 million)**Signed Jul. 2006**

Description: The project aims to strengthen Iraq's ability to establish a poverty line, target social assistance to the neediest, and make informed policy decisions. The project finances a comprehensive household survey, data analysis, and poverty & social impact assessments. **Coverage:** Nationwide.

Status: 6,000 households were surveyed, initiating the 1st nation-wide household survey in Iraq since 1988.

MOP/ Center of Statistics & KRG Statistics Unit./ Contracted to-date: \$1.9 m / Disbursed to-date: \$1.3 m



© Household Survey project (Erbil, Jan 07)

Household Survey & Policies Technical Assistance (ITF-US\$1.5 million)**Signed May 2006**

Description: Provides the technical support needed for Iraq to undertake modern data collection and analysis for the

Implemented by the World Bank / Contracted to-date: \$0.8 m / Disbursed to-date: \$0.8 m

Emergency Social Protection Project (ITF-US\$8 million)**Signed June 2006**

Description: The project aims to strengthen Iraq's capacity to develop equitable and sustainable social safety net and pensions programs to better assist poor and vulnerable populations. The project will finance the implementation of modern management and information systems, improve the targeting of safety nets and reduce leakages, thereby increasing the benefits that reach the poor. **Coverage:** Nationwide.

Status: The project launch workshop, held in September 2006, clarified implementation arrangements and provided training on procurement and financial management. Tenders for buying IT equipment worth US\$1 million have been issued.

Ministry of Labor & Social Affairs/ Contracted to-date: \$0.1 / Disbursed to-date: \$0.1 m

Emergency Environment Management Project (ITF-US\$5 million)**Signed Dec. 2006**

Description: The project aims to strengthen key institutional and regulatory functions of the Ministry of Environment to enable the Ministry to undertake policy analysis, formulate laws and regulations, monitor environmental quality, promote environmental awareness, and conduct technical studies. **Coverage:** Nationwide (with specific areas of concentration for some of the components).

Status: Project effective since December 2006. Invitation for bids to purchase air quality monitoring stations have been launched and a training workshop on ESSAF is planned for April in Amman.

Ministry of Environment

Marshland Schools Construction Project (ITF-US\$6 million)**Signed Oct. 2006**

Description: The project provides additional funding for the Emergency School Construction and Rehabilitation Project, to finance new school construction of approximately 30 small schools in the marshlands area of Basra, Nasiriyah and Missan. The project would benefit 6,000 – 8,000 children and help stabilize the resettlement of about 30 communities in existing villages. **Coverage:** Basra, Nasiriyah and Missan.

Status: First bidding documents including construction designs were submitted in March 2007 with civil works to begin in August 2007.

Ministry of Education

IDA Loans

Third Emergency Education Project (IDA US\$100 million)**Approved Nov. 2005**

Description: The project aims to help Iraq alleviate school overcrowding and lay the groundwork for educational reform. The project finances the construction of about 82 new primary and secondary schools in 15 governorates, directly benefiting about 57,000 students. The project will introduce new design standards, help Iraq implement a national school construction and maintenance program, and finance a comprehensive program to support educational system reform.

Status: Project is not yet effective, pending ratification of the loan by Iraq.

Ministry of Education

Emergency Road Rehabilitation Project (IDA US\$135 million)**Approved June 2006**

Description: In central and southern Iraq, the project will rehabilitate and reconstruct highways and village access roads, and replace about three floating bridges with permanent structures. **Coverage:** : Nationwide (18 Governorates)

Status: Project is not yet effective, pending ratification of the loan by Iraq. **Min. of Construction/KRG Direct for Roads**

Dokan and Derbandikhan Emergency Hydropower Project (IDA US\$40 million)**Approved Dec. 2006**

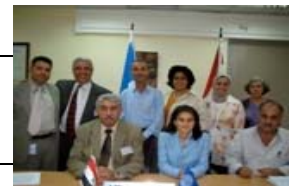
Description: the project is part of Iraq's overall Electricity Master Plan and will provide electricity in the Kurdistan region and to the interconnected national grid. It will directly impact about 490,000 households and will also benefit industrial consumers. **Coverage:** : Northern Iraq

Status: Project is not yet effective, pending ratification of the loan by Iraq. **Ministry of Electricity/ KRG**

Emergency Electricity Reconstruction Project (IDA US\$124 million)**Approved March. 2007**

Description: The project aims to restore the base load generation capacity of the Hartha Power Station and build capacity in the Iraqi ministry of electricity. **Coverage:** : Nationwide

Status: Project is not yet effective, pending ratification of the loan by Iraq. **Ministry of Electricity**



Publicly Available Economic and Sector Reports

Rebuilding Iraq: Economic Reform and Transition (February 2006)

This report focuses on the cross-cutting issues at the heart of Iraq's transition, including the immediate challenges of reviving the economy and creating jobs, rebuilding public services responsive to citizens' needs, and strengthening safety nets to protect the poor and vulnerable. It also addresses some overarching issues in public sector governance, particularly the management of oil revenues, the realignment of economic incentives and prices, the reform of human resource management, and the implementation of anticorruption efforts.

Pensions in Iraq: Issues, General Guidelines for Reform, and Potential Fiscal Implications (June 2005)

The reform proposal developed in this report can control the accumulation of new implicit pension debt while providing a mechanism to finance part of the pension liability of the old system. This is done by closing the old pension systems, enrolling current and new members into a new system that is financially self-sustainable, and investing the initial surplus of the new system in government debt. In the absence of reform, the current system would continue to generate ever growing deficits, and therefore demand ever growing transfers from the government. These are inequitable since they would benefit only a minority of the population: workers in the formal sector of the economy, in their large majority civil servants and the military.

Considering the Future of the Iraqi Public Distribution System (June 2005)

The action plan recommended in the report could generate considerable savings in the PDS budget. In short term, significant gains could be made by improving procurement and financial management practices, thereby reducing losses due to waste, theft and corruption. In the medium term, budgetary gains will come from improved targeting and enhanced efficiency resulting from more extensive reliance on the private sector.

Building a Sustainable Investment Climate in Iraq (September 2004)

The note examines and emphasizes the need for private investment from both Iraqi and foreign services to generate growing and sustained employment. Further, assessing Iraq's significant institutional and capacity shortcomings in the private sector, the note details a strategy, based on the Bank's global experience, for laying the necessary institutional foundations for a strong and growing private sector.

State-Owned Enterprise Reform in Iraq (July 2004)

This paper concentrates on the choices to be made in designing a framework for a legal and regulatory framework for privatization so that, once the security situation is under control and elected authorities are in office, SOE reforms can proceed effectively and at a pace commensurate with Iraq's urgent need for change.

Leveraging WTO Accession to Design Strategy of Economic Reforms for New Iraq (September 2004)

The note proposes leveraging the WTO strategy to design strategy of structural reforms and drawing on the experience of recent entrants to the European Union to design institutional setting for the development and implementation of the strategy. The note only outlines the issues that might be addressed in the development of such a strategy.

Other documents available: Project documents (including procurement plans) for project under implementation

Iraq - Economic Data	2003	2004e	2005e	2006p
GDP (US\$ million)	12,602	25,706	34,541	48,513
Real GDP Growth (annual %)	-41.4	46.5	3.7	3.0
GDP per capita (current US\$)	479	947	1,237	1,687
Consumer Price Index (% change)	34.0	31.7	35.8	50.0
Exchange Rate (ID/US\$) (annual average)	1957	1455	1474	1427
Crude Oil Production ('000 barrels/day)	1,330	2,014	1,844	2,000
Crude Oil Exports ('000 barrels/day)	900	1,522	1,384	1,400
Labor Force Participation (% of Working Age Population)			49	

Note: (e) estimates (p) projections

Iraq - Human Development Indicators	
Population, mid-2006 estimate	28.7 million
Population growth	2.80%
Life expectancy at birth, 2002	61 years
Infant Mortality (per 1,000 live births), 2002	115
Child malnutrition, 2004	12 % of children under five
Literacy (age 15 and above), 2004	65 % of population
Access to an improved water source, 2004	61 % of population

Millennium goals and indicators for Iraq

Source : Iraq Economic Data Sheet

progress made

progress needed to achieve the goal

