

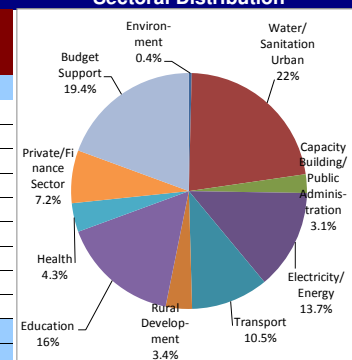
World Bank Assistance Strategy

The Interim Strategy Note (ISN) for Iraq (FY09-FY11) focuses on three thematic areas: (i) continuing to support reconstruction and socio-economic recovery; (ii) improving the management of public resources, human, natural and financial; and (iii) supporting policies and institutions that promote broad-based, private-sector-led growth, with the goal of revitalizing the private sector and facilitating job creation. A new Country Partnership Strategy (CPS) FY13-FY16 is under preparation.

The International Reconstruction Fund Facility for Iraq

In 2003, the World Bank, United Nations, and representatives of Iraq established the International Reconstruction Fund Facility for Iraq (IRFFI). IRFFI aims to help donors channel resources and coordinate support for reconstruction and development in Iraq through two trust funds: the World Bank Iraq Trust Fund (ITF), and the UNDG Iraq Trust Fund. The ITF finances reconstruction/rehabilitation and capacity building projects. It will terminate on December 31, 2013.

| Project Portfolio | | | | | | | | Sectoral Distribution | |
|--|---------------|--------------|--------------------|--|-------------|-------------------|-------------|------------------------------------|--|
| Iraq Trust Fund (ITF) Projects | Approval Date | Closing Date | Grant Amt. (US\$m) | Amount Committed (US\$m) ^{1/} | % | Disbursed (US\$m) | % | Implementing Agency | |
| Completed and Closed Projects | | | | | | | | | |
| Capacity Building I | Feb-04 | Aug-04 | 2.5 | 2.5 | 100% | 2.5 | 100% | World Bank | |
| Textbook Provision | May-04 | Dec-06 | 38.8 | 38.8 | 100% | 38.8 | 100% | Ministry of Education | |
| Community Infrastructure | Dec-04 | Dec-08 | 19.0 | 19.0 | 100% | 19.0 | 100% | Ministry of Water Resources | |
| Marshlands School Construction | Oct-06 | Jun-09 | 5.2 | 5.2 | 100% | 5.2 | 100% | Ministry of Education | |
| Health Rehabilitation | Nov-04 | Feb-10 | 23.8 | 23.8 | 100% | 23.8 | 100% | Ministry of Health | |
| Disabilities | Nov-05 | Dec-10 | 16.7 | 16.7 | 100% | 16.7 | 100% | Ministry of Health | |
| Private Sector Development | Nov-04 | Jun-12 | 65.0 | 61.1 | 94% | 61.1 | 94% | Ministry of Planning & Dev. Coop. | |
| Environmental Management | Dec-06 | Jun-12 | 5.0 | 4.9 | 98% | 4.9 | 98% | Ministry of Environment | |
| Regional Health Emergency Response | Jun-08 | Jun-12 | 13.2 | 12.3 | 93% | 12.3 | 93% | KRG Ministry of Health | |
| Sub-total | 9 | | 189.2 | 184.3 | 97% | 184.3 | 97% | | |
| Active Projects | | | | | | | | | |
| School Construction & Rehabilitation | Oct-04 | Jun-13 | 60.0 | 57.6 | 96% | 48.2 | 80% | Ministry of Education | |
| Capacity Building II | Nov-04 | Dec-12 | 9.4 | 0.7 | 7% | 8.6 | 91% | World Bank | |
| Baghdad Water Supply & Sanitation | Dec-04 | Jun-13 | 65.0 | 64.5 | 99% | 51.1 | 79% | Mayorality of Baghdad | |
| Water Supply, Sanitation & Urban Recon. | Dec-04 | Jun-13 | 110.0 | 106.9 | 97% | 91.5 | 83% | Ministry of Munic. & Public Works | |
| Social Protection | Jun-06 | Apr-13 | 8.0 | 6.6 | 83% | 6.0 | 75% | Ministry of Labor & Social Affairs | |
| Household Survey & Policies TA | May-06 | Jun-13 | 5.1 | 0.08 | 2% | 5.0 | 98% | World Bank | |
| Household Survey & Policies Grant | Jul-06 | Jun-13 | 7.0 | 5.9 | 84% | 6.0 | 86% | Ministry of Planning & Dev. Coop. | |
| Electricity Reconstruction | Mar-07 | Jun-13 | 6.0 | 4.0 | 67% | 2.7 | 45% | Ministry of Electricity | |
| Community Infrastructure (Supplement) | Apr-08 | Dec-12 | 25.5 | 24.7 | 97% | 22.5 | 88% | Ministry of Water Resources | |
| Banking Sector Reform | Apr-09 | Jun-13 | 10.0 | 8.6 | 86% | 8.3 | 83% | Central Bank of Iraq | |
| Public Finance Management | Jun-09 | Jun-13 | 16.0 | 7.4 | 46% | 2.3 | 14% | Ministry of Finance | |
| Public Finance Management TA | Jun-09 | Jun-13 | 2.0 | 2.0 | 100% | 2.0 | 100% | World Bank | |
| Pension Reform TA | Dec-09 | Apr-13 | 5.8 | 0.9 | 16% | 3.8 | 66% | World Bank | |
| Education Sector TA | Dec-09 | Dec-12 | 2.7 | 0.2 | 7% | 1.7 | 63% | World Bank | |
| Integrated National Energy Strategy TA | Dec-09 | Jun-13 | 6.9 | 6.4 | 93% | 4.9 | 71% | Prime Minister's Advisory Comm. | |
| Public Distribution System TA | Feb-11 | Jun-13 | 2.6 | 0.02 | 1% | 0.2 | 8% | World Bank | |
| Emer Primary Health Care Assistance II | Jun-11 | May-13 | 1.2 | 0.9 | 75% | 0.9 | 75% | Amar Int'l. Charitable Foundation | |
| Sub-total | 17 | | 343.2 | 297.4 | 87% | 265.7 | 77% | | |
| Total ITF Grants | 26 | | 532.4 | 481.7 | 90% | 450.0 | 85% | | |
| IDA Credits ^{2/} | | | | | | | | | |
| Third Emergency Education | Nov-05 | Jun-13 | 100.0 | 63.1 | 63% | 19.9 | 20% | Ministry of Education | |
| Emergency Road Reconstruction | Jun-06 | Jun-14 | 135.0 | 133.7 | 99% | 88.6 | 66% | Ministry of Construction & Housing | |
| Dokan & Derbandikhan Hydropower | Dec-06 | Dec-13 | 40.0 | 38.2 | 96% | 28.7 | 72% | KRG Ministry of Electricity | |
| Emergency Electricity Reconstruction | Mar-07 | Jun-14 | 124.0 | 115.9 | 93% | 18.0 | 15% | Ministry of Electricity | |
| Emergency Water Supply | Jun-08 | Dec-13 | 109.5 | 76.7 | 70% | 41.4 | 38% | Ministry of Munic. & Public Works | |
| Total IDA Credits | 5 | | 508.5 | 427.6 | 84% | 196.6 | 39% | | |
| Total Active ITF Grants & IDA Credits | 22 | | 851.7 | 725.0 | 85% | 462.3 | 54% | | |
| IBRD Loan | | | | | | | | | |
| First Prog. Fiscal Sust. Devt. Policy Loan | Feb-10 | Mar-11 | 250.0 | 250.0 | 100% | 250.0 | 100% | Ministry of Finance | |
| Total IBRD Loan | 1 | | 250.0 | 250.0 | 100% | 250.0 | 100% | | |
| Other Grants | | | | | | | | | |
| Health Assist. Burn Unit Karama Hosp | Jul-05 | Sep-07 | 0.7 | 0.7 | 100% | 0.7 | 100% | World Bank | |
| CSA - Social Dev't. Knowledge Network | Aug-06 | Aug-07 | 0.1 | 0.1 | 100% | 0.1 | 100% | World Bank | |
| CSA II - Social Dev't. Knowledge Network | Feb-07 | Feb-08 | 0.2 | 0.2 | 100% | 0.2 | 100% | World Bank | |
| Cons. Service Del. Initiative Suleimaniyah | Dec-07 | Jun-09 | 1.0 | 1.0 | 100% | 1.0 | 100% | ACDI/VOCA | |
| Prim. Health Care Assist. Marshlands | Oct-07 | Nov-10 | 0.6 | 0.6 | 100% | 0.6 | 100% | Amar Int'l. Charitable Foundation | |
| Cons. Service Del. Program (Phase II) | Jan-10 | Dec-11 | 5.0 | 5.0 | 100% | 5.0 | 100% | ACDI/VOCA | |
| Cons. Service Del. Program (Phase II) | Sep-11 | Jun-13 | 5.0 | 0.0 | 0% | 2.5 | 50% | ACDI/VOCA | |
| EITI Implementation Support | Oct-10 | Oct-13 | 0.8 | 0.2 | 24% | 0.3 | 36% | EITI Secretariat, Ministry of Oil | |
| Youth Livelihoods Dev't. Southern Iraq | May-11 | Sep-13 | 2.7 | 0.0 | 0% | 0.0 | 0% | Save the Children Federation, Inc. | |
| Total Other Grants | 9 | | 16.3 | 7.9 | 49% | 10.5 | 65% | | |
| Grand Total - Active Projects ITF, IDA & Other Grants | 25 | | 860.3 | 725.2 | 84% | 465.1 | 54% | | |



| Donor Deposits to Iraq Trust Fund | US\$ million |
|-----------------------------------|--------------|
| Australia | 16.1 |
| Canada | 26.7 |
| European Commission | 179.7 |
| 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 Funds | 494.4 |

| Economic Indicators | 2011 e |
|--|--------------|
| GDP (US\$ billion) | 111.1 |
| Real GDP Growth (annual %) | 9.6 |
| GDP per capita (current US\$) | 3,381 |
| Consumer Price Index (% change) | 5.0 |
| Exchange Rate (ID/US\$) (annual ave.) - 2010 | 1,170 |
| Crude Oil Production (million barrels/day) | 2,655 |
| Crude Oil Exports (million barrels/day) | 2,100 |
| Labor Force Participation | 72% (male) |
| (% total pop. ages 15-64) - 2008 actual | 14% (female) |

Note: (e) estimate
Sources: 1) Iraqi Authorities (Central Bank of Iraq), WB, IMF Staff Est. 2) Iraq Poverty Assessment, Volumes I and II

| Human Development Indicators | |
|--|--------------|
| Population, total 2010 | 32.3 million |
| Population Growth (%) - 2010 | 2.5 |
| Life Expectancy at Birth - 2009 | 68 years |
| Infant Mortality (per 1,000 live births) - 2009 | 31 |
| Child Malnutrition (% of children under 5) - 2009 | 7 |
| Adult Literacy, male (% of ages 15 and above) - 2009 | 86 |
| Adult Literacy, female (% of ages 15 and above) - 2009 | 70 |
| Access to an improved water source (% of pop.) - 2009 | 79 |
| Access to an improved sanitation facilities (% of pop.) - 2009 | 73 |

1/ The value of signed contracts.
2/ IDA Credits are denominated in Special Drawing Rights (SDR) while disbursements are expressed in the US Dollar equivalent using the actual SDR/USD exchange rate at the time. Therefore, the sum of the disbursed and undisbursed amounts for the IDA Credits do not total the Credit amount expressed in US Dollars.

ITF-Financed Projects (Active)

Second Capacity Building Project (US\$9.4 million) - Builds on the First Capacity Building Project to help authorities introduce medium-term policies, focusing on economic and public sector management, and social safety nets.

Household Survey and Policies Project (US\$7 million grant / US\$5.1 million TA) - Aims to strengthen the ability of the GOI to make and implement informed policies regarding poverty reduction, job creation and improvement of safety nets.

Social Protection Project (US\$8 million) - Aims to strengthen the policy, management and administrative capacity in the Ministry of Labor and Social Affairs and the Ministry of Finance to develop, manage and monitor pension and social safety net reform programs.

Pension Reform Implementation Support Technical Assistance (PRISTA) (US\$5.8 million) - Aims to support (i) in the short-term, the GOI in implementing the provisions of the new Pensions Law; (ii) in the medium-term, the unification of the public and private pension schemes; and (iii) in the long-term, the development of long-term old-age income strategy for Iraq.

Rationalization of the Universal Public Distribution System (PDS) Technical Assistance (US\$2.6 million) - Aims to strengthen the Ministry of Planning and Development Cooperation's (MOPDC's) technical and institutional capacity to implement the rationalization of the universal public distribution system.

School Construction and Rehabilitation Project (US\$60 million) - Aims to improve the conditions of learning of students in primary and secondary schools in Iraq through the construction of new schools, the extension of existing schools, and the rehabilitation of schools in need of urgent repairs.

Institutional Strengthening and Capacity Building for the Education Sector Technical Assistance (US\$2.7 million) - Aims to support the Government's effort to develop a sector strategy for education and higher education in Iraq.

Second Emergency Assistance Program for Primary Health Care (US\$1.2 million) - Aims to increase access and quality of basic health services for vulnerable groups, including pregnant women and children, through improved partnerships between public healthcare service providers and community-based health services.

Banking Sector Reform Project: (US\$10 million) - Aims to support Iraq's implementation of its Banking Reform Strategy and Action Plan, focusing on the institutional, operational and financial restructuring of the 2 state-owned commercial banks, and strengthening of the regulatory and supervisory functions of the Central Bank of Iraq (CBI).

Public Finance Management Project (US\$16 million grant / US\$2 million TA) - Aims to support the Ministry of Finance (MOF) to develop a more effective, accountable and transparent public financial management (PFM).

Electricity Reconstruction Project (US\$6 million) - Aims to upgrade technical skills in the operations and maintenance of power utilities at the Ministry of Electricity (MOEI), in conjunction with the US\$124 million IDA credit that aims to restore the base load generation capacity of the Hartha power station.

Integrated National Energy Strategy TA Project (US\$6.9 million) - Aims to improve the ability of the Government to develop an energy strategy that is designed to increase the contribution of the sector to sustainable development.

Baghdad Water Supply and Sanitation Project (US\$65 million) - Aims to help restore basic water supply and sanitation services for Baghdad through the reconstruction and rehabilitation of existing facilities, and to provide technical assistance and institutional support.

Water Supply, Sanitation and Urban Development Project (US\$110 million) - Aims to upgrade and rehabilitate basic water supply and sanitation in seven cities, and conduct urban reconstruction in the poorest areas of Arbil city, benefiting about one million people. The project also provides technical assistance and institutional support.

Community Infrastructure Rehabilitation Project Additional Financing (US\$25.5 million) - Aims to undertake labor-intensive civil works to restore rural water infrastructure, create local employment, enhance community participation, and increase institutional capacity.

ITF-Financed Projects (Completed)

First Capacity Building Project (US\$2.5 million) - Aimed to build the capacity of the Iraqi authorities to enable them to define, prioritize and implement international programs of support and to play a leading role in the reconstruction process.

Textbook Provision (US\$38.8 million) - Aimed to provide urgently needed textbooks in order to keep schools open and to improve learning conditions in primary and secondary schools.

Community Infrastructure Rehabilitation Project (US\$19 million) - Aimed to rehabilitate rural infrastructure by financing labor-intensive, small-scale civil works programs, and create local employment.

Marshlands School Construction Project (US\$5.2 million) - Provided additional financing for the Emergency Schools Construction and Rehabilitation Project to finance new school construction of 30 small schools (reduced from 33) in the Southern Marshlands area of Iraq.

Health Rehabilitation Project (US\$23.8 million) - Aimed to improve access to quality emergency services in selected health facilities to serve the urgent needs of the Iraqi population.

Disabilities Project (US\$16.8 million) - Aims to improve rehabilitation and prosthetic services to the disabled to reduce the burden of physical disability by upgrading the infrastructure of selected rehabilitation or prosthetic centers and the skills of the staff to provide services. The project supports upgrading the infrastructure and equipment of six selected rehabilitation centers and prosthetic workshops throughout Iraq.

Environmental Management Project (US\$5 million) - Aims to strengthen key functions of the Ministry of Environment (MOE) to enable it to undertake policy analysis, formulate laws and regulations, monitor environmental quality, promote environmental awareness, and conduct technical studies.

Regional Emergency Health Response (US\$13.2 million) - Aims to assist the Kurdistan Regional Government (KRG) to establish rapid, coordinated and effective response services to health emergencies.

Private Sector Development Project (US\$65 million) - Aims to lay the foundation by addressing key priorities in institutional capacity building and essential communications in infrastructure to help foster the development of the private and financial sectors, and to generate job creation through the development of the private sector.

IDA Credits

Third Emergency Education Project (US\$100 million) - Aims to assist the Ministry of Education to reduce school overcrowding and strengthen its capacity to improve quality of teaching and curricula in 15 governorates.

Dokan and Derbandikhan Emergency Hydropower Project (US\$40 million) - Aims to upgrade electricity supply primarily in the Kurdistan region, but also nationally through its connection to the national grid. About 490,000 households will benefit directly, as well as a number of industries.

Emergency Electricity Project (US\$124 million) - Aims to restore the base load generating capacity of the Hartha power plant and build capacity at the Ministry of Electricity (MOEI).

Emergency Road Rehabilitation Project (US\$135 million) - Aims to improve the condition of the road network by rehabilitating highly damaged segments of the country's highway and rural road networks, reestablishing critical river crossings, and restoring the capacity to manage and maintain the road network.

Emergency Water Supply Project (US\$109.5 million) - Aims to improve the quantity and quality of water in four high priority governorates through the rehabilitation and upgrade of the water supply systems, and engage the government to develop a sustainable water sector policy.

IBRD Loan (Closed)

First Programmatic Fiscal Sustainability Development Policy Loan (US\$250 million) - Aims to mitigate the impact of the current fiscal crisis on Iraq's economy and to support its medium-term economic reform program, thereby helping the country improve fiscal sustainability and reducing its fiscal and socio-economic vulnerability to sudden drops in oil revenues.

Publicly Available Economic and Sector Reports

1. Iraq Household Socio-Economic Survey IHSES (2007)
2. Rebuilding Iraq: Economic Reform and Transition (2006)
3. Country Water Resource Assistance Strategy - Addressing Major Threats to People's Livelihoods (2006)