

## **Final Statement of IRFFI Donor Committee Meeting Baghdad, Iraq 8 November 2009**

The IRFFI Donor Committee expressed its appreciation to Denmark for hosting the Ninth IRFFI Donor Committee Meeting in Baghdad and in particular to the Chairman of the Donor Committee, Ambassador Winther, Chairman of the Executive Committee, Minister Ali Baban and the United Nations (UN) and the World Bank (WB).

Donors welcomed the **UNDG Iraq Trust Fund (UNDG ITF) and the World Bank Iraq Trust Fund (WB ITF) progress reports**. As of 31 December 2008, it was shown that the UNDG ITF total gross deposits currently amount to US\$1.35 billion with US\$1.25 billion approved and transferred for a total of 165 projects and joint programmes. Balance of funds to be programmed is US\$135.63 million of which US\$83 million will be disbursed by the end of the year. The approved funding legally committed by Participating UN Organizations amounts to US\$1.01 billion (81%) while the disbursed funding is US\$945 million (76%). Of the 214 individual agency projects, it was confirmed that 110 were operationally closed (51%) and 45 (21%) are financially closed or in the final stages of financial closure.

As of 8 November 2009, donors had deposited US\$494 million to **the World Bank Iraq Trust Fund**. The WB ITF has financed 21 projects for US\$507 million of which over 78% has been contracted and over 55% disbursed on project expenditures. As of 31 October, 100% of donor contributions have been committed. Four projects have been fully implemented and are closed and 17 others are currently under implementation.

Donors expressed their support for the **Independent Lessons Learned Exercise** that will be undertaken by the UN jointly with the World Bank between January and June 2010. The objective of the Exercise is to focus on the results and provide a full assessment in regards as to whether the IRFFI was able to deliver effective and sustainable programming through the Trust Fund mechanism. The Lessons Learned Exercise will ensure that the Government of Iraq (GoI) and donor partners will be full participants in the Exercise, that project-level lessons will be shared, that the Scanteam report will be revisited and recommendations integrated into the Exercise and finally that the Exercise will look at the interface with non-IRFFI programmes. Revised TORs will be circulated and a Steering body consisting of the GoI, donors, the UN and the World Bank will be set up to oversee the Exercise.

Donors also warmly welcomed the **Government of Iraq's proposal on Future Aid Coordination Mechanisms**. The presentation emphasized the importance of integrating efforts to increase the effectiveness of development partners'

interventions in Iraq. It stressed that the success of the partnership would be a shared responsibility between Iraq and its international development partners. Donors appreciated the efforts at ensuring GoI and donor coordination through a systematic approach to aid management through a single plan, outlining all GoI priorities. The GoI emphasized the NDP as the way forward for achieving a united vision of Iraq's investment needs, which will enable donors aligning to national priorities in line with the Paris Declaration.

Donors took note of the **Proposal for a new UN Multi Donor Fund** which would be based on three essential fundamentals: Government ownership; Coordination and Support to the UNDAF outcomes. Donors expressed the need for establishing a single coordination mechanism, which would include bilateral and multilateral initiatives in full coordination with Iraq. This mechanism would go beyond a multi donor trust fund. The GoI stressed the need to take into consideration the views of the new government. Moreover the need was expressed to align UNDAF strategy with other bilateral donor strategies. It was agreed that discussions should continue with the GoI, donors and UN agencies on the possibility of establishing a new pooled funding mechanism for Iraq.

Donors agreed to the UNDG's request to **extend the timeline for approvals of new projects** by six months until 30 June 2010, indicating that this would be the final extension. Donors urged the UN to use the extension to strengthen and improve quality of projects under development in particular the upcoming US\$60 million Public Sector Modernization Programme. It was further agreed to improve the consultation process with donors, including circulation of information relating to project proposals as well as advance circulation of the agenda of the IRFFI Steering Committee to all donors. It was also agreed that the new final contractual commitment date and the subsequent utilization of any remaining funds would be reviewed at the 10<sup>th</sup> IRFFI Donor Committee meeting.

Donors and the GoI welcomed the continuation of Denmark and its designation of Ambassador Mikael Hemniti Winther as the **Chair of the IRFFI Donor Committee** and joined the GoI in expressing their appreciation for the leadership and work done over the past year by Denmark.

The **next Donor Committee meeting will be** convened during 2010 in Baghdad, Iraq, the exact timing to be determined by the Chair and the GoI.