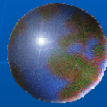




World Bank Iraq Trust Fund  
Update on Progress  
IRFFI Donor Committee Meeting  
Bari, Italy, October 29, 2007



How Can the World Bank Make a Lasting Impact?

- Given limited resources available to the World Bank,
- The Bank's core competency, and
- Its mandate to work through Iraqi institutions,

World Bank should finance projects designed to strengthen Iraqi institutions and build systems that help Iraq manage resources, deliver services, create jobs, and improve governance



## How Can World Bank Make Lasting Impact?

- Build systems for better service delivery through projects in core sectors
- Transfer knowledge by implementation through Iraqi institutions
- Create synergy among all Bank products – technical assistance, training, analytic studies, and advisory services



## Snapshot of Current ITF Portfolio

	Grant Amount (US\$m)	Effective Date	Original Closing Date	Revised Closing Date
<b>Active Projects</b>				
Community Infrastructure	20.0	12/18/04	06/30/07	03/31/08
School Construction & Rehabilitation	60.0	10/14/04	06/30/07	06/30/09
School Construction - Marshlands Supplement	6.0	10/31/06	09/30/07	06/30/09
Private Sector Development	55.0	12/06/04	06/30/07	06/30/09
Water Supply, Sanitation & Urban Reconstruction	110.0	12/08/04	08/31/07	07/31/09
Baghdad Water Supply	65.0	12/04/04	08/31/07	07/31/09
Second Capacity Building Project	7.0	11/09/04	11/30/06	08/31/09
Disabilities	19.5	11/23/05	09/30/07	09/30/09
Household Survey & Policies for Poverty Reduction	5.1	07/24/06	09/30/07	09/30/09
Household Survey & Policies (Technical Assistance)	1.5	05/03/06	09/30/07	09/30/09
Health Rehabilitation	25.0	12/04/04	12/31/06	02/28/10
Social Protection	8.0	06/06/06	09/30/07	02/28/10
Environmental Management	5.0	11/06/06	09/30/07	08/31/10
Electricity Reconstruction	6.0	04/04/07	09/30/07	09/30/10
<b>Closed Projects</b>				
Capacity Building I	2.5	01/16/04	07/15/04	08/31/04
Textbook Provision	40.0	05/15/04	12/31/05	12/31/06

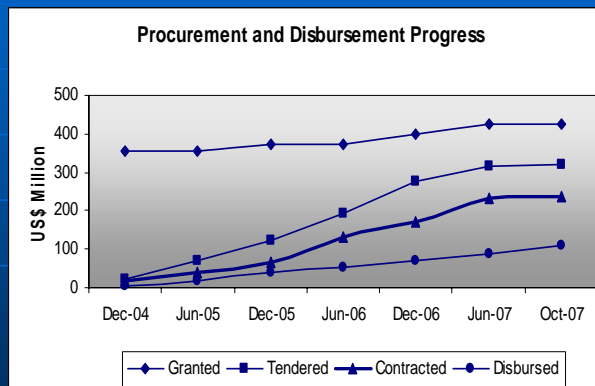


## Sources and Uses of Funds

- Recent commitment of Korea to provide an additional US\$5 million brings total donor commitments to US\$467.1
- Donors have deposited US\$459.6 million
- Investment income totals US\$48.2 million
- Total value of ITF almost US\$507.8 million
- ITF finances 16 grants valued at US\$436.7 million, obligating 95% of donor deposits



## Procurement and Disbursement Trends





## Disbursement Status

- Total disbursements stand at US\$131.4 million.
- Project expenditures total US\$118.3 million (27% of the value of projects)
- Expenditures to cover costs to project appraisal and supervision total US\$10.6 million
- Expenditures for trust fund management and administrative fees total less than US\$2.5 million



## Resource Availability

	US\$ m
<b>Inflows</b>	
Donor Deposits	459.6
Investment Income Earned	48.2
Total Inflows	507.8
<b>Outflows</b>	
Projects Under Implementation	436.7
Expenditures for Project Appraisal and Supervision	10.6
Expenditures for Trust Fund Management, Administration, and Fees	2.5
Total Outflows	449.8
<b>Available Resources</b>	58.0
<b>Resources Allocated</b>	
Projects Currently Under Preparation	
Community Infrastructure II	15.0
Regional Health	6.0
Education Sector Strategy	3.0
Additional Financing Requested at CPPR (Tentative)	
Social Protection Project (EC)	2.0
Household Survey Project (EC)	2.5
Private Sector Development Project	8.0
Project Appraisal and Supervision through June 2008	3.8
FMA Contract Commitment through December 2010	7.3
Total Allocated Resources	47.6
<b>Resources Available for New Commitments</b>	10.5
of which Committed to Sectors by Donors	
Agriculture (Australia)	6.0
PFM, Capacity Building, Judicial Strengthening (Canada)	4.4
No Preference	0.1



## Country Portfolio Performance Review (CPPR)

- Joint Bank-Government exercise to identify implementation issues
- The CPPR focuses on determining **what actions will be taken, when, and by whom**, to improve project performance and generate lasting results for Iraq.



## Major CPPR Findings

- **Financing shortfalls** caused by currency fluctuations and price escalation
- **Payment delays** for Iraqi dinars
- **Project management / PMT issues**



## CPPR Recommendations

- Request senior level technical counterpart
- Restructure and/or cancel projects to maximize impact of remaining funds
- Recommend counterpart financing for some projects affected by price escalation and/or provide additional ITF financing for other projects
- Pilot alternative disbursement arrangements in two projects to provide needed liquidity
- Establish new correspondent bank in Iraq with more extensive branch network



## Other Bank Work

- Two (out of 4) IDA Loans became effective Oct. 15
- Public Expenditure and Institutional Assessment held about 7 workshops in Baghdad
- Capacity building workshops on Sub-national Public Finance Management and Audit and Accountability

Support the key role of Bank to help Iraq design modern, efficient, and transparent systems of public sector governance and public financial management