



**Final Statement of Tenth IRFFI Donor Committee Meeting  
Baghdad, Iraq  
13 December 2010**

The International Reconstruction Fund Facility for Iraq (IRFFI) Donor Committee held its Tenth meeting in Baghdad on 13 December 2010. The Committee expressed its appreciation to Denmark for hosting the meeting as Chair and to the Chairman of the IRFFI Executive Committee, Minister Ali Baban, Minister of Planning (MoP), the United Nations (UN) and the World Bank (WB).

In his **opening remarks** Dr. Sami Metti, Deputy Minister of MoP, expressed the Iraqi Government's overall satisfaction with the operations of the IRFFI and emphasized that the lessons learned from the IRFFI should be used to improve future development cooperation. Christine McNab, Deputy Special Representative of the Secretary General in Iraq and UN Resident Coordinator, concluded that after six years and under very different and difficult circumstances, the UN has fully programmed the UNDG Iraq Trust Fund (UNDG ITF) contributions.

Donors welcomed the presentations on the status of UNDG ITF and World Bank Iraq Trust Fund (WB ITF) and the interim **Lessons Learned Exercise**. PricewaterhouseCoopers (PwC), represented by Mr. Ismail Maraqa, presented preliminary information on the independent UNDG ITF Lessons Learned Exercise that was requested by the IRFFI Donor Committee at its Ninth meeting on 8 November 2009. The objective of the exercise is to focus on the operational and development effectiveness of the UNDG ITF supported joint programmes and projects. Donors expressed the need for the exercise to move beyond previous evaluation findings and perceptions to providing hard data, analysis and lessons to strengthen future operations and delivery of development results. Further, PwC was advised to structure the final report to differentiate between perspectives and experiences from the Government, donors and the UN, and identify lessons learned, challenges and good practices systematically in each section of the report with comparative experiences from similar MDTFs in other countries as appropriate.

The WB informed the Donor Committee of the status of its planned independent review which will be undertaken over the next few months. The review will include closed as well as ongoing projects, and will emphasize drawing lessons both for the ongoing portfolio as well as future approaches to managing multi-donor Trust Funds in fragile country situations. The review will focus, inter alia, both on project outputs and outcomes, effectiveness in responding to Iraqi priorities and efficiency in use of resources, project design and implementation, government ownership, coordination with the Government of Iraq and with the UN as well as non-IRFFI donors, complementarities with the UNDG ITF, and long term sustainability of program outcomes. There will also be focus on World Bank ITF-supported capacity building and advisory services, which will take on increasing importance as Iraq gears up to for its medium and long-term development agenda (predicated on a strong private sector and sound revenue management).

H.E. Minister of Planning, Ali Baban, iterated the importance of learning from previous experiences, and expressed his hope that the development cooperation would be better conducted in the coming period, with the emphasis on the roles which the UN and its agencies play to meet the demand of the Iraqi people. H. E. Minister also encouraged a close partnership and better coordination between donors, the UN and the Iraqi government and expressed his expectation that Iraq's development priorities would be duly taken into consideration in development cooperation.



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The Ministry of Planning welcomed the establishment of the **new Iraq UN Development Assistance Framework Fund (Iraq UNDAF Fund)** that will support the implementation of the Iraq UNDAF from 2011 to 2014. The Fund is established on the basis of the Paris principles of aid effectiveness and builds upon the lessons learned and achievements of the UNDG ITF. The Fund Steering Committee will be co-chaired by the MoP and the UN Resident Coordinator to ensure greater national ownership, strengthened coordination and alignment with national priorities. The MoP further informed the Donor Committee that it is working on designing a co-financing mechanism, but the main focus of Iraq's contributions will be in-kind.

Donors welcomed the **UNDG Iraq Trust Fund (UNDG ITF) and World Bank Iraq Trust Fund (WB ITF) progress reports**. As of the 30 November 2010, it was shown that the UNDG ITF total gross donor deposits amounted to US\$1.36 billion with an additional \$71 million in Fund and Agency earned interest income report bringing the total UNDG ITF portfolio to \$1.43 billion. In 2010, a total of US\$108.03 million was approved for 28 new projects and joint programmes (JPs). As of 30 September 2010, the final UNDG ITF portfolio stood at 200 projects and JPs for a total of \$1.43 billion. As of 30 June, all available funding had been programmed and as of 30 November, \$2.2 million had been returned as unspent and/or interest income from Participating UN Organizations. The approved funding that is legally committed by Participating UN Organizations amounts to US\$1.07 billion (80 percent), while the disbursed funding is US\$1.04 billion (78 percent). Of the 200 approved projects and JPs, it was confirmed that 108 were operationally closed (54%) and 29 (21%) were financially closed. The progress update presented highlights of the contributions and achievements toward Sector outcomes aimed at strengthening government capacity across government ministries and improve livelihoods through health, education and private sector programming.

Overall, the World Bank ITF is valued at US\$575 million – US\$494.4 million in donor deposits plus US\$80.6 million of investment income. As of October 31, 2010, the ITF had financed 24 projects valued at US\$524.5 million. Of these, five projects have been completed, while nineteen projects are currently under implementation (valued at US\$435.1 million). These comprise five technical assistance (TA) projects executed by the World Bank at government request (totaling US\$22.6 million) and 14 recipient-executed operations (amounting to US\$412.5 million). US\$8.1 million is currently available from investment income and will be utilized to provide additional financing for two ongoing projects and to finance two new projects.

Donors agreed with the UN proposal to extend the UNDG ITF **Fund Closure Benchmarks** to allow for an orderly and efficient wind up of the UNDG ITF project closure including shifting the finalization of Agency Contract Commitments to the 30 June 2012, and completion of project implementation by 31 December 2013 that will coincide with the WB ITF fund closure.

Donors, except the EU, also endorsed the UNDG ITF Steering Committee's **proposal for the allocation of any remaining balances of UNDG ITF funds** as of 30 June 2010, and subsequent returns of unspent and interest funds, to the new Iraq UNDAF Fund.

Donors and the Government of Iraq welcomed the continuation of Denmark as the **Chair of the IRFFI Donor Committee** and expressed their appreciation for the leadership and work done by Denmark over the past year.

The **next Donor Committee meeting** will be convened in Baghdad in June 2011 following the release of the 2010 Annual UNDG ITF and WB ITF Progress Reports. The Committee will review if there may be a need for an additional meeting outside Iraq.

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Annexes (available at: [www.irffi.org](http://www.irffi.org) and <http://mdtf.undp.org/factsheet/fund/ITF00>):

1. List of Participants
2. Iraq UNDAF Fund Presentation and Terms of Reference
3. PWC Presentation of the Lessons Learned Preliminary Findings
4. UNDG ITF Progress Update as of 30 September 2010
5. World Bank ITF Progress Update as of 6 December 2010