



Kurdistan Regional Government
Ministry of Planning

*Report on Donor Contributions to the
Kurdistan Region*

Produced by
General Directorate for Development
Coordination and Cooperation
External Resources Management Unit - ERMU

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1. Executive Summary:

This analytical report is the first of a series of reports that will be published semi-annually by the General Directorate for Development Coordination and Cooperation (DCC) at the Ministry of Planning (MoP) in Kurdistan Region (KR).

This report shows the contributions of the donor committee to Kurdistan Region according to data available within DCC.

The main objective of the donor countries support is rebuilding Iraq; the process is the most far-reaching reconstruction efforts since World War II when the Europe and Japan were undergoing restoration. A significant civilian funding process was geared towards rehabilitation of physical infrastructure. So far, almost a total of US \$ 1,144,667,806 were committed for funding infrastructure projects, rebuilding and renovation of health facilities, youth and democracy education, civil society development, human rights, and refugee aid provision.

This report will raise some of the issues that emerged during the first few years identifying and implementing the projects; more over it will introduce some suggestions for a better corporation between the donor committees and the recipient being the Kurdistan Regional Government.

| Donors | Committed | Disbursed |
|---------------|-------------------|------------------|
| 12 Donors | 1,184,667,806 USD | 795,896,764 USD |

To monitor the quality and quantity of spending of international resources at the level of the Kurdistan Region – Ministry of Planning (through GD Development Coordination and Cooperation) a new unit has been established under the functional title “External Resources Management Unit” ERMU.

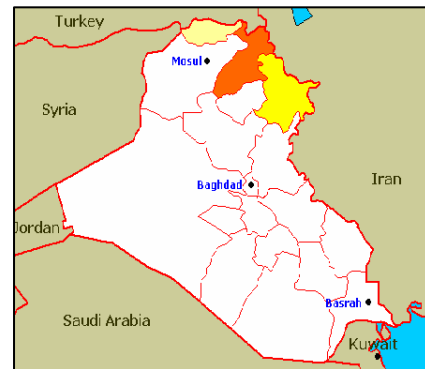
This unit will lay out a strategies and policies to support the KRG on how to effectively and efficiently get the best out of such resources; the purpose is to avoid wasting precious resources (a lesson learnt from the implementation of the UN Security Council Resolution 986, Oil-for-Food program).

Through the creation of a mutual atmosphere for cooperation between the Kurdistan Regional Government and the Donor Countries, the ERMU will endeavor to

exchange information on the volume and utilization of spending; and target sectors that are in need for more support will be promoted, as well as the provinces that have suffered under the successive Iraq wars and sectarian conflicts.

1.1. Brief about Kurdistan Region:

Kurdistan Region is an autonomous region within Federal Government of Iraq. It borders Syria on the west, Iran on the east, and Turkey at the north. At the north, its fertile plains meet the Zagros Mountain, where the Big Zab and Little Zab rivers of Tigris pass through.



The total area of the region is 40,643 square kilometers. Its population is around 4 million which constitutes about 17% of Iraq's total population. Erbil (also known as Hewler) is the capital of the KRG. The main language is Kurdish, but Arabic, Turkish, Assyrian and Armenian are also used by the minorities.

The local currency is the Iraqi Dinar (ID); currently ID 1000 equals US\$ 0.846 (as of the 2nd quarter of 2009).

The KRG's three governorates of Duhok, Erbil, and Suleimaniah, cover approximately 40,000 square kilometers - four times the area of Lebanon and larger than the Netherlands.

1.2. ERMU *External Resources Management Unit*

The External Resources Management Unit (ERMU) is a new department within the General Directorate for Development Coordination and Cooperation (DCC) at the KRG Regional Ministry of Planning (MoP) since 2008.

The overall objective of ERMU is to support effective and efficient utilization of external resources through a transparent and accountable government system in line with national and regional strategic priorities.

This overall objective is in direct implementation support to the strategic goals of the National Development Strategy (NDS) and the International Compact for Iraq (ICI). It is instrumental to support monitoring of projects funded under the International Reconstruction Fund Facility for Iraq (IRFFI), or respective country strategies from other donors. ERMU seeks to establish a swift and mutually understood coordination and cooperation between the KRG line ministries or institutions and the donors to avoid duplication of project requests and save external resources from being wasted.

To that end, the Donor Assistance Database (DAD) has been installed at the ERMU of the MoP-DCC to oversee the project funding flow. Using the DAD, the ERMU will generate reports, charts and maps of the KRG provinces to document the development impact of the projects funded by the external resources assisted by the information provided by the donors.

The DAD is accessible world-wide at www.krgdad.com

1.2.1. ICI International Compact with Iraq

The International Compact with Iraq is an initiative of the Government of Iraq for a new partnership with the international community. Its purpose is to achieve a national vision for Iraq which aims to consolidate peace and pursue political, economic and social development over the next five years. The primary focus is to build a framework for Iraq's economic transformation and integration into the regional and global economy. However, it is recognized that good governance and the resolution of security and political challenges are pre-requisites for progress in all other areas, including economic revival and normalization.

1.2.2. (IRFFI) *the International Reconstruction Fund Facility for Iraq*

IRFFI helps donors to channel their resources and to coordinate their support for reconstruction and development activities in Iraq in line with the priority areas emerging from the needs assessment based on the UN and WB Strategic Transitional Programmes, validated by the Iraqi authorities.

The objective of the facility is to ensure coordinated, flexible and swift donor response for financing priority expenditures, including reconstruction activities, sector-wide programmes, investment projects, technical assistance and other development activities. The facility will complement existing options available to donors wishing to contribute to the reconstruction of Iraq - such options include direct funding to executing agencies

1.2.3. DAD *Donor Assistance Database*

U.S. advisors have joined with the United Nations Development Program (UNDP) and the European Union to help the Ministry of Planning and Development improve its tracking of donor contributions to Iraq reconstruction. Initial efforts focused on enhancing the Development Assistance Database (DAD). Efforts continue to establish a broader Capital Budget Request and Tracking System that would capture all efforts for reconstruction, including those funded by Iraq's national and provincial budgets. However, the efforts to integrate the two systems continue to cause logistical and organizational issues, There is no standard reporting requirement for donors to provide data and no set time frame for updates to the DAD to be completed. Thus, comparing donor pledge figures to data available in the DAD does not provide an accurate or complete picture of the status of donor support

1.2.3.1 What is DAD-Kurdistan and Why is it Important?

The Development Assistance Database of Kurdistan (DAD-Kurdistan) is a bi-lingual web-based aid information management system, owned and hosted by the Ministry of Planning (MoP) KRG. The DAD-Kurdistan contains information only on the governorates of Erbil, Suleimaniah and Dohuk and is therefore a standalone subset

of the wider DAD Iraq. The two databases are automatically synchronized on a regular basis to ensure that data is up to date in both.

Attention: DAD-Kurdistan is now available at www.krgdad.com

Donor aid to Iraq has been unprecedented in size and scale with committed grant assistance alone in excess of \$23 billion in the period 2003-2007. In addition, the multiplicity of actors involved in Iraq (including UN agencies, bilateral donors and NGOs) and the complex operating environment present significant problems for effective aid management. DAD-Kurdistan helps to restore control of development to the Government of the Kurdistan Region and Iraq by providing a consolidated repository of aid information aligned with government systems. Some of the key benefits of DAD-Kurdistan for aid effectiveness are:

1. **Enhanced Transparency:** enables Government to track aid flows and activities funded by multilateral and bilateral agencies in addition to national budget programmers to provide a holistic multi-year picture of development in Kurdistan. Publicly-available online reporting presents information on the status of aid activities.
2. **Improved Planning:** informs integrated planning of development initiatives and resource allocation helps to identify funding gaps against national strategy as well as minimize overlaps in implementation.
3. **Managing for Results:** keeps donors aware of their commitment calendars, tracks disbursements and monitors results.

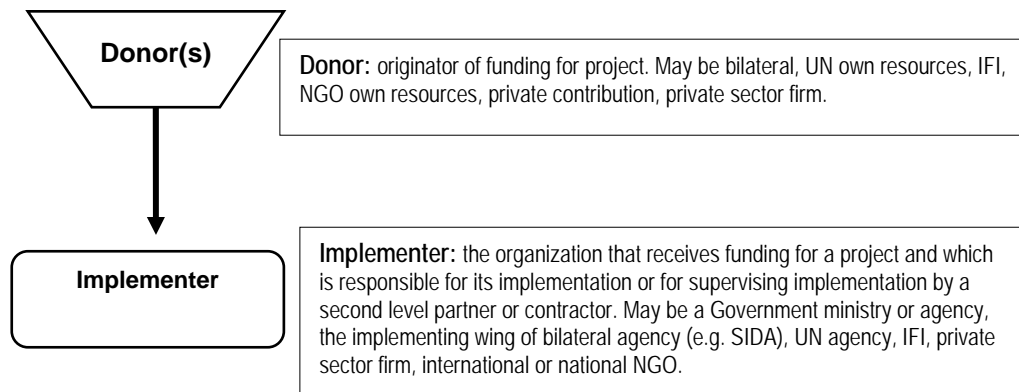
DAD is the only source of consolidated information on development projects in Iraq. To date, DAD-Kurdistan contains information on 1,837 grant assistance projects implemented in the Kurdish region with the support of donor countries and multi-lateral institutions since 2003. The total amount of committed assistance recorded in DAD-Kurdistan is US\$ 1,144,667,806. However, DAD-Kurdistan's utility as a tool for effective aid management is dependent on the completeness, accuracy and timeliness of the information provided.

1.2.3.2 Who Should Update DAD-Kurdistan?

All organizations involved in the Kurdistan reconstruction and development process should check to see that DAD-Kurdistan has captured your contribution. This includes donors, United Nations agencies, International Financial Institutions, international and national NGOs.

DAD-Kurdistan tracks aid by individual project defined as an activity or a set of activities and defined outputs, usually in pursuit of a certain goal, with clearly defined start and end dates, source of funding and budget/project cost. DAD-Kurdistan distinguishes between two roles for organizations involved in projects: donors and implementers (see figure 1 below). Note that in some cases the donor and the implementer can be the same organization, e.g. if a UN agency project is funded from its own core resources.

IMPORTANT: Donor Agencies have the primary responsibility for entering projects and updating information in DAD-Kurdistan



In the case of co-funded projects, donor agencies must select a leading agency to update DAD-Kurdistan. As an exception, implementing agencies and even executing agencies can also update the database, if the donor agency of the project agrees and assigns responsibility accordingly. The IRFFI Secretariat, in conjunction with MoP DC, is responsible for updating projects funded by the UNDG and World Bank Trust Funds (please also see the section on “How to Report Donor Contributions to Trust Funds” below). To facilitate entering and updating project information into DAD-Kurdistan, each donor is requested to nominate an **Information Provider (IP)**

within their organization. This person will serve as a focal point for communication with the MOP KRG team that manages DAD-Kurdistan. The IP will be responsible for adding and updating projects to ensure their agency's contribution is reflected.

1.3.Paris Declaration:

According to the Paris Declaration on Aid Effectiveness which was signed in March 2nd, 2005, many countries around the world have resolved to take far-reaching actions and to monitor the ways they deliver and manage aid as they look ahead to the UN five-year review of the Millennium Declaration and the Millennium Development Goals (MDGs).

Those countries have recognized that while the volumes of aid and other development resources must increase to achieve those goals, aid effectiveness must increase significantly, as well as the, efforts to support partner country efforts to strengthen governance and improve development performance.

It was agreed that this will be all the more important if existing and new bilateral and multilateral initiatives lead to significant further increases in aid.

Partnership commitments of the Paris Declaration clearly state that partner countries should be committed to exercise leadership in developing and implementing their national development strategies through a broad consultative processes.













To translate these national development strategies into prioritized results-oriented operational programs as expressed in medium-term expenditure frameworks and annual budgets they need to take the lead in coordinating aid at all levels in conjunction with other development resources, and in dialogue with donors and encouraging the participation of civil society and the private sector in such activities. The declaration requested that Donors to be committed to respect partner country leadership and help strengthen their capacity to exercise it. The declaration also stated that untying aid generally increases aid effectiveness by reducing transaction costs for partner countries and improving country ownership and alignment.

2. Donors Contributions to Kurdistan Region (KR):

At the present time there are twelve (12) donors contributing to KR.

Donor grants are not limited to financial support but also they give grants in kind and they provide logistical support.

• Table: (1) Donors and amounts granted

| Donor | Committed (USD) | Disbursed (USD) | Percentage |
|-------------------------------------------------------------------------------------------------------------|----------------------|--------------------|---------------|
|  Denmark | 205,641 | 200,109 | 97.31% |
|  Japan | 45,873,540 | 45,873,540 | 100.00% |
|  Korea | 94,950,425 | 60,890,625 | 64.1% |
|  Norway | 253,688 | 253,688 | 100.00% |
|  Sweden | 1,369,091 | 1,269,370 | 92.72% |
|  UNDG.ITF | 106,056,150 | 36,669,205 | 34.57% |
|  UNDP | 1,030,361 | 76,486 | 7.42 % |
|  UNDP.TTF (funded by EU) | 2,215,316 | 2,195,863 | 99.12% |
|  United Kingdom | 259,434 | 259,434 | 100.00% |
|  United States of America | 723,138,786 | 606,623,822 | 83.88% |
|  WB | 85,000,000 | - | 0.00% |
|  WB.ITF | 129,315,383 | 41,584,615 | 32.15% |
| Total | 1,184,667,806 | 795,896,756 | 69.53% |

The total grant from donor countries given to KR are 1,184,667,806 USD (committed); however from the mentioned amount, 795,896,756 USD have been disbursed until now (69, 53 %), with the highest percentage of allocation disbursed in the Erbil Governorate and lowest in the Suleimaniah Governorate.

The amount of grants allocated to Kurdistan's Erbil Governorate is 482,005,452 USD (disbursed); the allocation to Suleimaniah is 170,400,489 USD (disbursed).

The allocation for Duhok is 151,507,608 USD (disbursed).

• Table: (2) Donors contribution by Governorate

| Governorate | Committed (USD) | Disbursed (USD) | Percentage |
|-----------------------|-----------------|-----------------|------------|
| Arbeel | 642,515,546 | 468,864,005 | 77.81 % |
| Sulaymaniyah, Garmyan | 307,887,111 | 170,400,476 | 55.34 % |
| Duhok | 228,196,478 | 151,507,595 | 66.39 % |
| Unallocated | 6,068,682 | 5,124,681 | 84.44 % |

It is noted that there is a big difference in the amount of fund contributed to Kurdistan and the rest of Iraq , as we pointed out that the total value of grants has

been provided to the KR are 1,144,667,806 USD committed, and the amount disbursed are 795,896,756 USD

• **Table: (3) Donors contribution to Iraq.**

| Donor/Project | # of Projects | Committed (USD) | Disbursed (USD) |
|--------------------------|---------------|-----------------------|-----------------------|
| United States of America | 19,231 | 15,772,423,876 | 12,653,005,093 |
| UNDG.ITF | 167 | 1,173,563,815 | 769,060,588 |
| Japan | 162 | 1,060,167,656 | 1,029,884,839 |
| WB.ITF | 19 | 611,200,000 | 246,600,000 |
| United Kingdom | 39 | 448,706,893 | 259,115,099 |
| Italy | 106 | 236,441,211 | 222,517,913 |
| Korea | 67 | 219,745,929 | 141,508,041 |
| WB | 14 | 164,000,000 | |
| Canada | 22 | 109,538,910 | 106,082,427 |
| Spain | 17 | 105,775,287 | 62,251,729 |
| Sweden | 66 | 100,769,871 | 76,751,643 |
| UNDP.TTF (funded by EU) | 13 | 36,647,926 | 34,213,148 |
| UNDP | 38 | 18,910,266 | 6,783,941 |
| Norway | 16 | 9,082,792 | 8,380,602 |
| European Community | 5 | 5,710,111 | 1,786,621 |
| Denmark | 4 | 4,808,624 | 2,334,822 |
| Netherlands | 2 | 3,000,000 | 2,482,916 |
| Belgium | 2 | 2,487,562 | 2,473,396 |
| Germany | 2 | 807,660 | 586,276 |
| Turkey | 1 | 100,000 | 98,442 |
| DGTTF | 1 | 100,000 | |
| Jordan | 1 | 75,000 | |
| France | 1 | 32,288 | |
| Unspecified | 6 | | |
| Total | 19,984 | 20,084,095,678 | 15,625,917,536 |

The rest of Iraq has received 20,084,095,678 USD¹ committed by the pledges and the amount of 15,625,917,536 USD² which has been disbursed.



^{1,2} <http://www.mop-iraq.org/dad/rc?sessionid=1238565504531237>

Looking on population figure the share of the KR (as mentioned above) is 17%; however the percentage of allocations received by the KR is only 5.69% (1,144,667,806 USD compared to 20,084,095,678 USD).

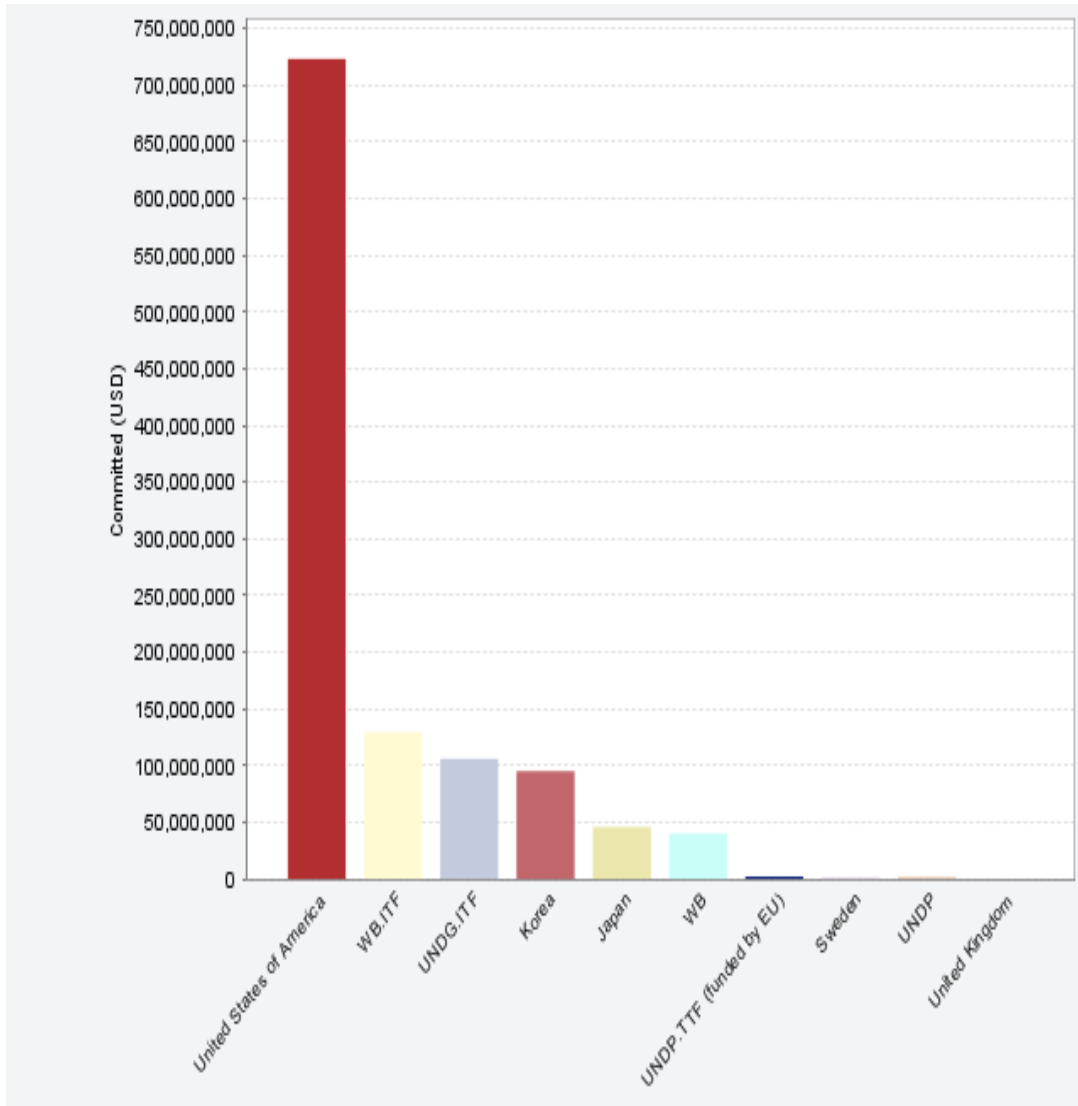
The per capita share in KR is 286.16 USD for each person out of the total amount that was committed as voluntary contributions by donor countries.

In other parts of Iraq (i.e. non – KR areas) the donor share per capita is 855.65 USD for each person in average (the population of Iraq excluding the KR is 23,472,219 person).

There appears to be large gap between KR and the rest of Iraq in terms of amount of funds allocated, percentage of funds allocated, and number of donor countries that have made contributions to the Kurdistan since 2003.

To date of the 12-Donors in the KR are members of the European Union (EU) or the United States of America (USA), Outside the KR, the number of States increases to 25 States within the European Union, United States of America, some Arab states, and some neighboring countries.

It should be noted also that the number of projects carried out in the Kurdistan region is 1,837 Projects (some only in draft stage), while the number of projects implemented in rest of Iraq is 19,984 Projects and were already under implementation, this clearly shows that only 10% of the total projects in Iraq funded by donors have been implemented in Kurdistan.



*** Chart (1) shows the contributions of the donor countries in KR**

2.1. Donors Countries:

12 countries so far have provided support to the KR, and 25 countries and sponsors have provided support to Iraq in general.

The following is the names of the donor countries which provide support to the Kurdistan Region as well as the size of their support.




2.2. USA Contribution to Kurdistan Region:



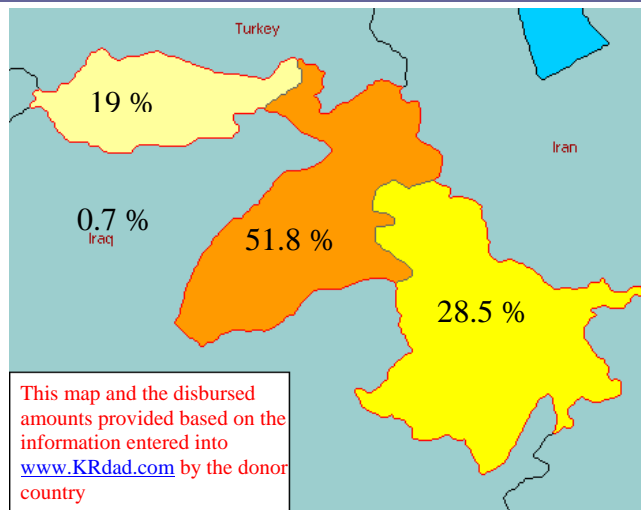
Consulting the US's profile in the DAD Iraq (which is run by Iraq's Ministry of Planning and Development Cooperation), The US has pledged US\$ 28,425,428,969 as contribution to the Iraq reconstruction, from which (US\$ 15,772,423,876) are Commitments.

The overall US commitment for Kurdistan Region (Health, Agriculture, Food and Fishing, Education, Science and Culture, Governance and Democracy Development Housing, Infrastructure, labor and Social affairs, Security and Environment is US\$ 723,138,782.

- Table: (4) USA Donor contribution to Kurdistan, (www.krgdad.com)

| Donor/Project | No of Projects | Committed (USD) | Disbursed (USD) |
|-------------------------------------------------------------------------------------------------------------|----------------|-----------------|-----------------|
|  United States of America | 1, 764 | 723,138,782 | 606,623,817 |

On the governorate level, the US has committed:-
 374,813,158 US\$ for Erbil,
 137,316,434 US\$ for Duhok,
 205,884,513 US\$ for Suleimaniah
 Unallocated 5,124,681 US\$



2.2.1. By Governorate:

The province of Erbil received pledges of 374,813,158 US\$ and the province of Duhok 137,316,434 US\$ and Suleimaniah 205,884,513 US\$

- **Table: (5) USA Donor contribution to Kurdistan Region, by Governorate.**

| Governorate | # of Projects | Committed (USD) | Disbursed (USD) |
|----------------------|---------------|--------------------|--------------------|
| Erbil | 660 | 374,813,158 | 354,916,332 |
| Duhok | 513 | 137,316,434 | 106,430,584 |
| Suleimaniah, Garmyan | 591 | 205,884,513 | 140,152,225 |
| Unallocated | 10 | 5,124,681 | 5,124,681 |
| Total | 1,764 | 723,138,782 | 606,623,817 |

These funds were distributed to communities surrounding the centers of the provinces, in terms of population size the distribution of grants and the allocations by governorate were: Erbil 52.8 % , Duhok 19 % , Suleimaniah 28.5 % and for the Unallocated area 0.7 % .

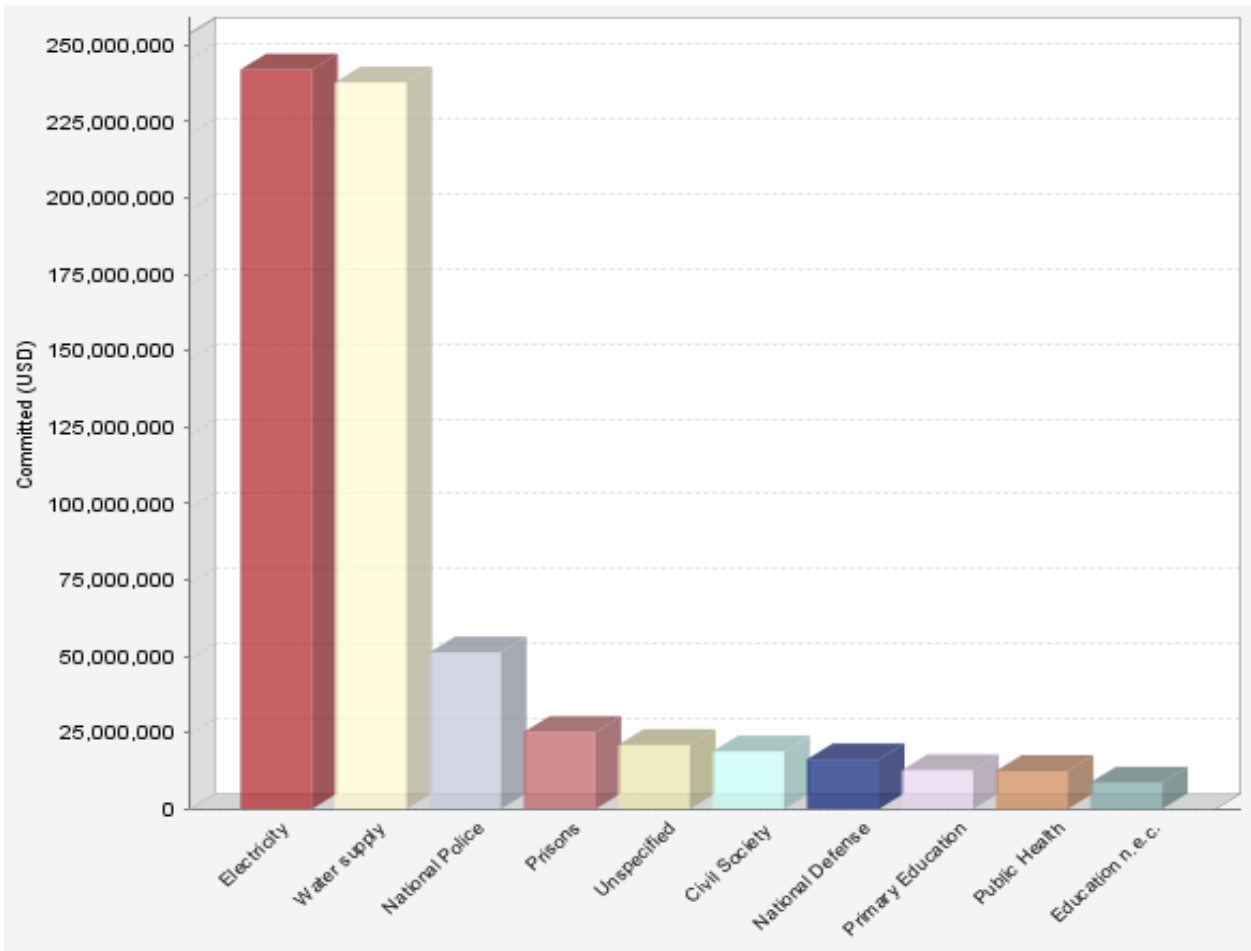
2.1.1.2. By Sector:

The support by the United States is not limited to one sector as with other Donors, Most support has come from support provided by the United States of America.

- **Table: (6) USA Donor Projects by Sub-Sector in Kurdistan Region .**

| Donor | Governorates | Sub-Sector | Committed |
|--------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| United States of America | Erbil; Suleimaniah, Garmyan; Unallocated; Duhok | Agriculture; Food Security & Distribution; Irrigation; Livestock; Culture; Higher Education; Primary Education; Sport; Youth Affairs; Oil; Service Industry; Tourism; Civil Society; Elections; Judicial Services; Local Government Services; Statistics; Health Services; Public Health; Housing; Social Services; Communications; Electricity; National Defense; National Police; Lower-secondary education; Subsidiary services to education; Education i.e.; Conservation, nuclear fuel; Sewerage; Environmental protection i.e.; Prisons; General | 723,138,782 USD |

| | | | |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| | | public services i.e.; Therapeutic appliances and equipment; General medical services; General hospital services; Water supply; Housing and community amenities i.e.; Unemployment; Social protection i.e.; Water transport; Fire protection; Public order and safety i.e.; Road transport; Foreign Military Aid; Defense i.e.; Education not definable by level | |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|



2.3. Japan Contribution to KR:



On January, 24th, 2003 in the Madrid conference, Japan announced its financial support for the Iraq reconstruction which peaked to US\$ 5 billion. The financial support package is distributed through grants and soft loans. US\$ 1.5 billion is pledged by Japan as grants to assist Iraq's reconstruction of electricity, education, water and health facilities; and to support employment generation, security, human resources development and capacity building for government employees.²The remaining US\$ 3.5 billion is a Japanese Yen Soft loan for Iraq which will be paid back over 40 years with an initial 10 year grace period.

- Table: (7) Japan funding type in Kurdistan.

| Donor | Funding type | Committed (USD) | Disbursed (USD) |
|-------|--------------|-----------------|-----------------|
| Japan | Grant | 45,873,540 | 45,873,540 |
| | Soft Loan | 600,000,000 | |

- Table: (8) Japan contribution to Kurdistan.

| Governorate | Committed (USD) | Disbursed (USD) | Disb. To Com. Percentage |
|-----------------------|-----------------|-----------------|--------------------------|
| Erbil | 18,952,296 | 18,952,296 | 100% |
| Duhok | 25,081,326 | 25,081,326 | 100% |
| Sulaymaniyah, Garmyan | 1,839,917 | 1,839,917 | 100% |
| Total | 45,873,540 | 45,873,540 | 100% |


² Japanese loan for Iraq is in the form of Japanese yen estimated 3.5 billion U.S. dollars

2.3.1. Japan Grant to KR:

While consulting Japan's profile it appears the Japan has pledged (US\$ 5 Billion) package of assistance for Iraq reconstruction process under two different kinds of contributions programs; the first one is Grant package and the second one is International Soft Loan package. From the Japanese US\$ 5 Billion assistance package, (US\$ 1.5 Billion) has been granted and the US\$ 3.5 Billion is an international soft loan package bilaterally agreed upon between Japan and Iraq.

The overall Japan commitment for Kurdistan Region is for funding four projects in the sectors of health, housing, labor and social affairs and the environment is US\$ 45,873,574. On the governorate level, Japan committed US\$ 18,952,296 for Erbil, US\$ 25,081,361 for Duhok and US\$ 1,839,917 for Suleimaniah. Japan has fully committed amount for Kurdistan Region.

• Table (9) Information on DAD KR about Japan's Projects

| Donor/Project | NO of Projects | Title | Committed (USD) | Disbursed (USD) |
|-------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|  Japan | 4 | | 45,873,540 | 45,873,540 |
| KR/000026 | | Reconstruction of hospitals, etc, and assistance to internally displaced persons (IPDs) over the winter. | 1,816 | 1,816 |
| KR/000027 | | Rehabilitation projects for IPDs, returnees, and inhabitants. | 6,127,214 | 6,127,214 |
| KR/000028 | | Project for Rehabilitation of Four General Hospitals in the Northern Region of Iraq | 34,224,759 | 34,224,759 |
| KR/001118 | | Project for Provision of Equipment for Solid Waste and Sewage Management -ministry of public works | 5,519,751 | 5,519,751 |

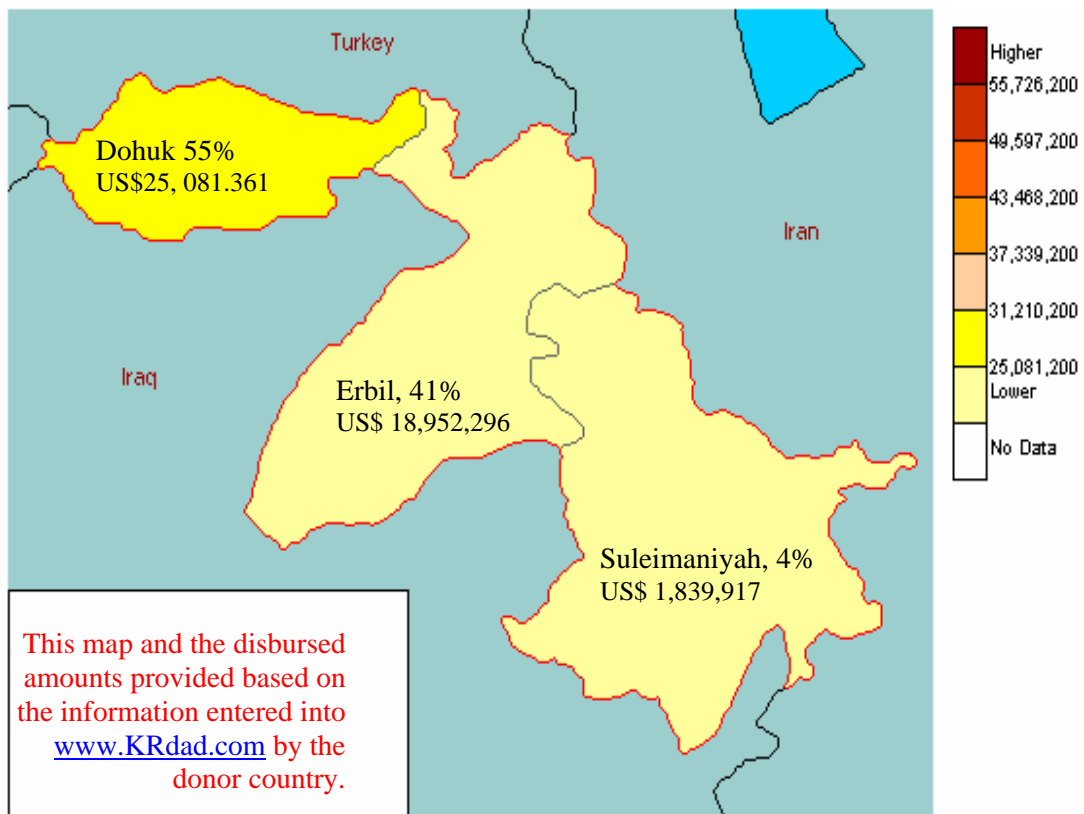
2.3.2. JICA Soft Loan:

On January, 24th, 2003 in Madrid conference, Japan announced its financial support for Iraq reconstruction which peaked at US\$ 5 billion.

The financial support package is distributed through grants and soft loans. US\$ 1.5 billion is pledged by Japan as grants to assist Iraq in the sectors of electricity, education, water, health and to generate employment, security, human resources development and capacity building for government employees.

The remaining US\$ 3.5 billion is a Japanese Yen Soft loan for Iraq which will be paid back over 40 years with an initial 10 year grace period.

Furthermore Japan Has committed 17% of the soft loan to KR in particular to the sector of Electricity & Water. Pursuant to an agreement signed between JICA and the KRG Ministry of Electricity, approximately US\$ 300 million has been earmarked for the electricity sector in Kurdistan Region under the Japanese Soft loan. Ministry of Electricity (KRG) projects that have been approved by JICA for funding include “Provision of Mobile Sub-station Project”, “Provision of Electricity Extension Materials Project for Erbil, Duhok and Suleimaniah”, “Installation of KV132/33 Sub-station Project in Suleimaniah and “Construction of Deraluk Hydropower Station Project in Duhok”.



Map showing the disbursements of Japan (USD) by governorate

2.4. KOREA contribution to KR:



According to data provided to MoPDC through the DAD Iraq, The Korean government has pledged \$260m and committed \$235m to Iraq since 2003

Some of committed funds (\$11million) have been channeled through the UNDG Iraq Trust Fund. Korea has funded 53 projects in Iraq to date representing a total commitment of \$220 million. To date, Korea has disbursed almost \$150 million and has 16 projects still ongoing in Iraq. Korea, in particular has made a substantial investment to the Governance and Democracy Development sector in Iraq (totaling almost \$125m). Since peaking in 2004 and 2005, Korea's annual commitments and disbursements have subsequently fallen for instance new commitments in 2005 totaled \$ 70 million but just \$ 13.5 million in 2007.

According to data provided to KR-MoP through KRG-DAD, the overall KOREA commitment for the Kurdistan Region is in the sectors of Governance and Democracy, Infrastructure, Education, Science and Culture, Health, Housing, Labor and Social Affairs, and the Environment. The total amount committed is US\$ 94,950,425 of which US\$ 60,890,625 has been disbursed.

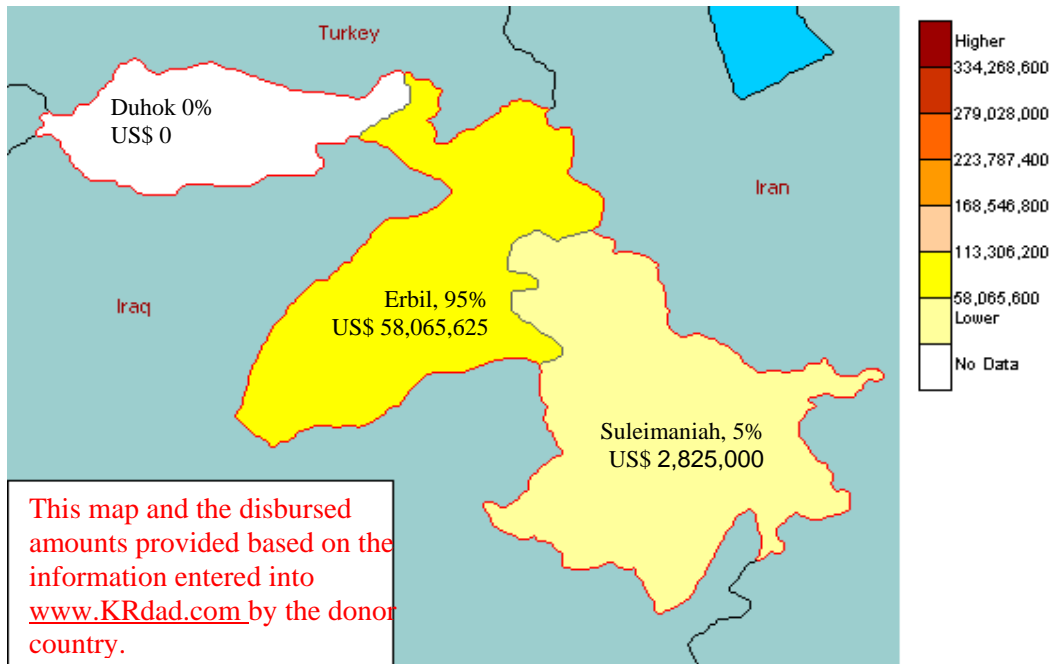
On the governorate level, KOREA committed US\$ 84,450,425 for Erbil, US\$ 10,500,000 for Suleimaniah and nothing for Duhok. It is worth mentioning, that all of KOREA projects are still under implementation

• **Table: (10) Korea contribution to Kurdistan**

| Governorate | Committed (USD) | Disbursed (USD) | Percentage |
|-----------------------|-------------------|-------------------|----------------|
| Erbil | 84,450,425 | 58,065,625 | 68.75 % |
| Duhok | --- | --- | |
| Sulaymaniyah, Garmyan | 10,500,000 | 2,825,000 | 26.9 % |
| Total | 94,950,425 | 60,890,625 | 64.12 % |

2.4.1. By Governorate:

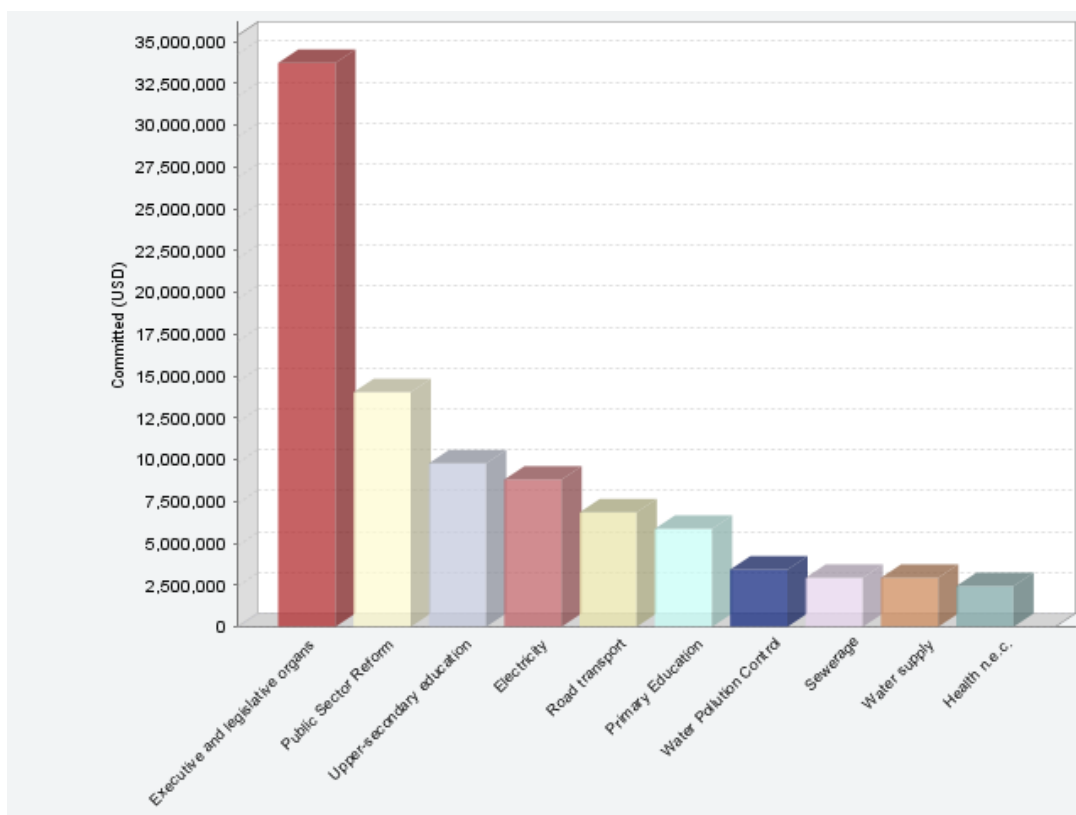
As noted earlier the Korean government's support was limited to the governorates of Erbil, and a small amount for Suleimaniah; Duhok did not benefit from the Korean support. The following percentages Erbil (95.3%), Suleimaniah (4.7%) are indicated on the map below.



Map showing the disbursements of Koreans_(USD) by governorate

2.4.2. By Sector:

Support from the Korean government is directed to support the service sectors and in this area the greatest support was concentrated on support for the development of the electricity sector, which suffers from major problems and needs considerable support. The second most important sector was the education sector. The largest share of donor support from Korea however has been granted executive and legislation branches of government.



* Chart (3) shows Korean sub sector distribution in KR by diagram

2.5. UNDG Contribution to KR:

The logo for the United Nations Development Group (UNDG) is a yellow circle with a blue border, containing the letters "UNDG" in blue.

The United Nations Development Group (UNDG) Iraq Trust Fund is administered by the United Nations Development Program on behalf of itself and the participating United Nations Organizations.

This is the first time that the UN is administering a multi-donor reconstruction trust fund in a joint partnership with the World Bank. This is also the first time that the UNDG organizations, pursuant to the Secretary General's reform agenda, have adopted common planning, funding, coordinated implementation and reporting arrangements for such a large scale operation, which is referred to as the "UN Cluster approach". Most importantly, this arrangement assists key Iraqi ministries, such as the Ministry of Planning and Development Cooperation to work with UNDG as one entity, facilitating coordinated, collaborative joint programming.

The UNDG ITF arrangement reduces resource mobilization and reporting costs to Participating UN Organizations. Nineteen (19) UN Organizations have signed the Memorandum of Understanding with UNDP to date for participation in the UNDG ITF. It is also the first time that UNDG organizations have made it possible for donors to fund their projects through a single channel, reducing donors' transaction costs. Twenty four donors have signed the Letter of Agreement to date with UNDP to contribute funds to the UNDG ITF, in support to Iraq's reconstruction and development priorities. The overall UNDG commitment for Kurdistan Region for funding projects is in the sectors of Economic Development, Health, Housing, Labor and Social Affairs and Environment, Agriculture, Food and Fishing, Education Science and Culture, Governance and Democracy Development, Infrastructure, Security is US\$ 107,817,371..

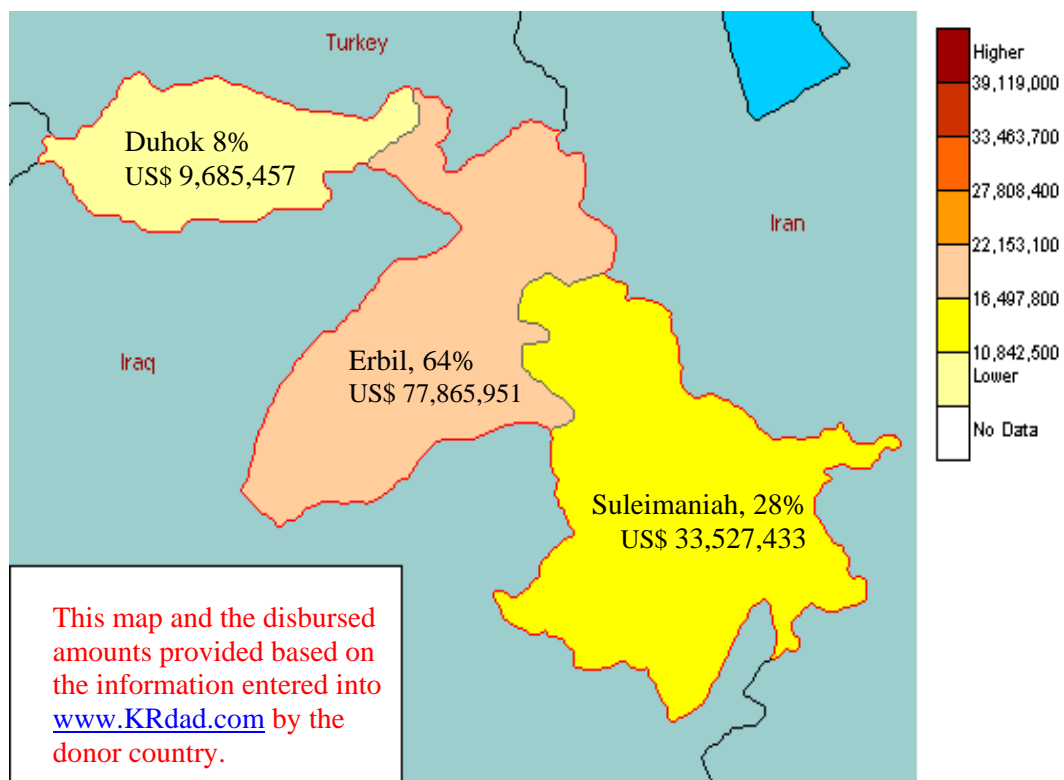
• Table: (11) UNDG contribution to Kurdistan

| Governorate | Committed (USD) | Disbursed (USD) | Disb. To Com. Percentage |
|-----------------------|-----------------|-----------------|--------------------------|
| Arbeel | 62,696,759 | 20,639,239 | 32.91 % |
| Sulaymaniyah, Garmyan | 33,527,433 | 10,842,674 | 32.33 % |
| Duhok | 9,695,457 | 5,187,291 | 53.5 % |
| Total | 106,056,149 | 36,669,204 | 34.57 % |

2.5.1. By Governorate:

Because of the experience made by the United Nations organizations during the implementation of resolution 986 (oil-for-food) was distributed to the provinces as financial support in the region commensurate with the exigencies of each province, and there was some flaw. The share for each province follows.

On the governorates level, UNDG committed US\$ 62,687,008 for Erbil, US\$ 9,685,707 for Duhok and US\$ 33,517,683 for Suleimaniah –Garmyan



Map showing the disbursements of (UNDG's) by governorate

2.5.2. By Sector:

The overall UNDG commitment for the Kurdistan Region is in the sectors of Economic Development, Health, Housing, Labor and Social Affairs.

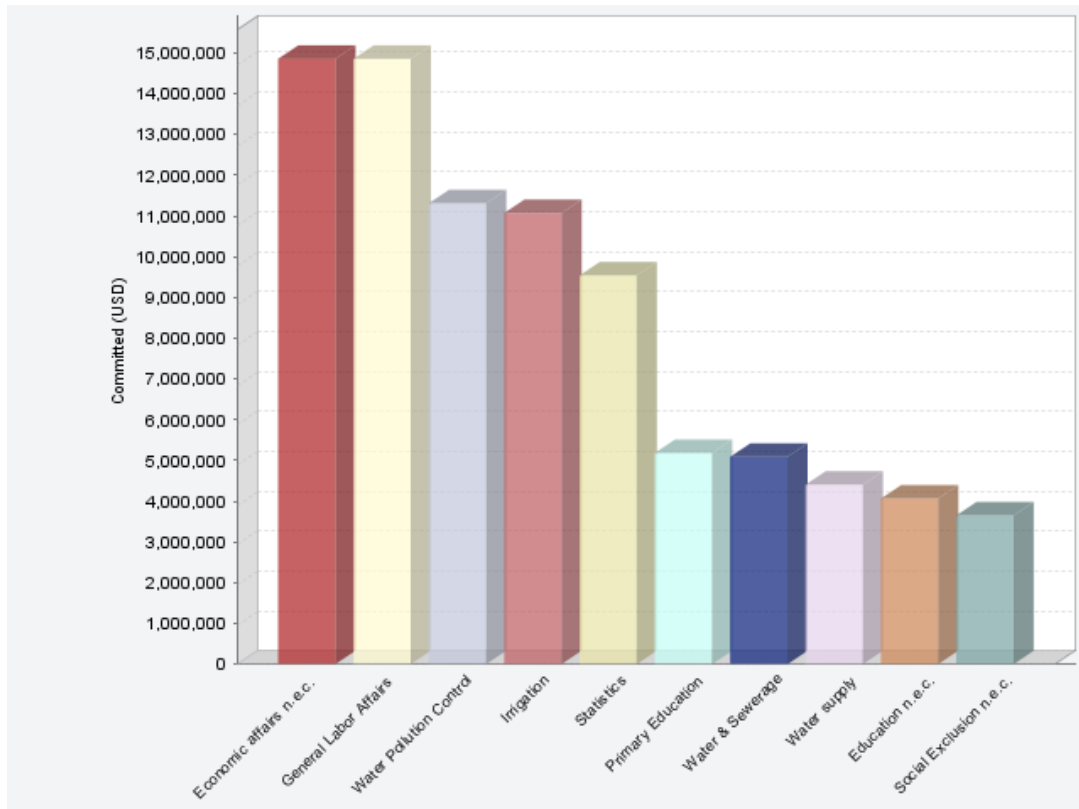


Chart (4) Project Cost (UNDG's) by Donor and Sector

2.6. WORLD BANK-ITF Contribution to KR:



The World Bank became engaged with Iraq in the summer of 2003

When it prepared a needs assessment together with the United Nations (UN).

The UN-World Bank “Joint Needs Assessment” was the basis for the International Conference on Iraq in Madrid in October 2003. The first Interim Strategy Note (ISN) for Iraq was discussed by the World Bank’s Board of Executive Directors in January 2004. It built on the Bank’s work in 2003, including the preparation of Briefs on key sectors as well as on the UN-World Bank “Joint Needs Assessment”. The ISN relied on the Iraq Trust Fund to finance emergency investment operations and capacity building projects. Activities under the first ISN were organized under three tracks to:

- (i) Build Iraqi institutional capacity
- (ii) Prepare and start implementing emergency investment operations to support the delivery of urgent basic services
- (iii) Lay the groundwork for Iraq’s medium-term reconstruction and development program

The second ISN for Iraq, discussed by the Board of Executive Directors in September 2005, provided the framework for an expanded program of analytical and advisory activities; as well as up to US\$500 million of International Development Association (IDA) lending and additional resources from the ITF. Under the overall umbrella of strengthening institutions, the second ISN was organized around four pillars to:

- a) Restore basic service delivery
- b) Enable private sector development
- c) Strengthen social safety nets; and
- d) Improve public sector governance.

To provide a continuum of resources, the second ISN envisaged possible IBRD support (in the order of \$500 million), assuming critical progress regarding

creditworthiness. In 2008, the World Bank updated its strategic framework to guide its future engagement in Iraq.

The preparation of the third ISN included an assessment of the implementation of the World Bank's program under the second ISN.

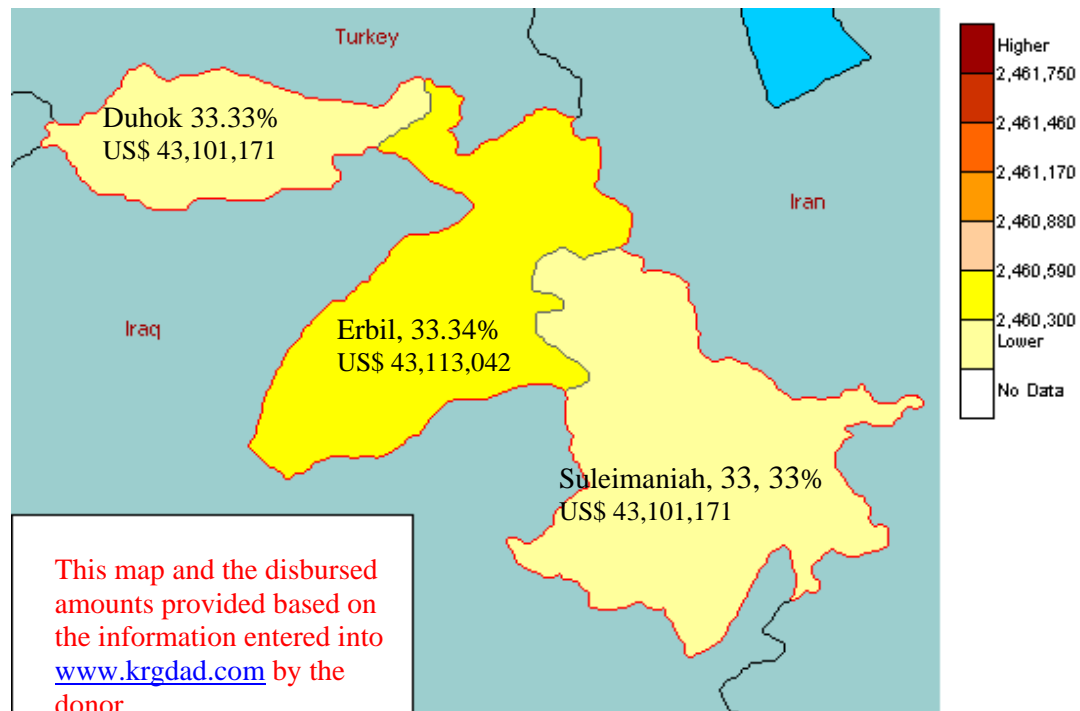
The third ISN will also be implemented in close collaboration with GOI, and consultation with key international donors. While the strategic direction for the third ISN is not expected to depart substantially from the four pillars proposed under the second ISN, some shift in emphasis may be appropriate, based on the progress and experience of the last two years.

• Table (12) Information on DAD KR about (WB-ITF) Projects

| Donor/Project | No of Projects | Title | Committed (USD) | Disbursed (USD) |
|-------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------|-----------------|-----------------|
|  WB.ITF | 3 | | 129,315,381 | 41,584,614 |
| KR/000001 | | Emergency Water, Sanitation and Urban Reconstruction Project | 110,000,000 | 37,100,000 |
| KR/000006 | | Emergency Community Infrastructure Project | 10,615,381 | 4,084,614 |
| KR/001812 | | Health Emergency Response Project in Iraqi Kurdistan. | 8,700,000 | 400,000 |

2.6.1. By Governorate:

On the governorates level, WORLD BANK-ITF committed US\$ 43,113,042 for Erbil, US\$ 43,101,171 for Suleimaniah -Garmyan and US\$ 43,101,171 for Duhok.



Map (5) showing the disbursements of (World Bank-ITF) by governorate

2.6.2. By Sector:

According to data provided to KR-MoP through KR-DAD the overall WORLD BANK-ITF commitment for Kurdistan Region is in the sectors of the Environment, Housing, Labor and Social Affairs, Health, Agriculture, Food and Fishing (US\$ 129,315,381) of it are disbursed.

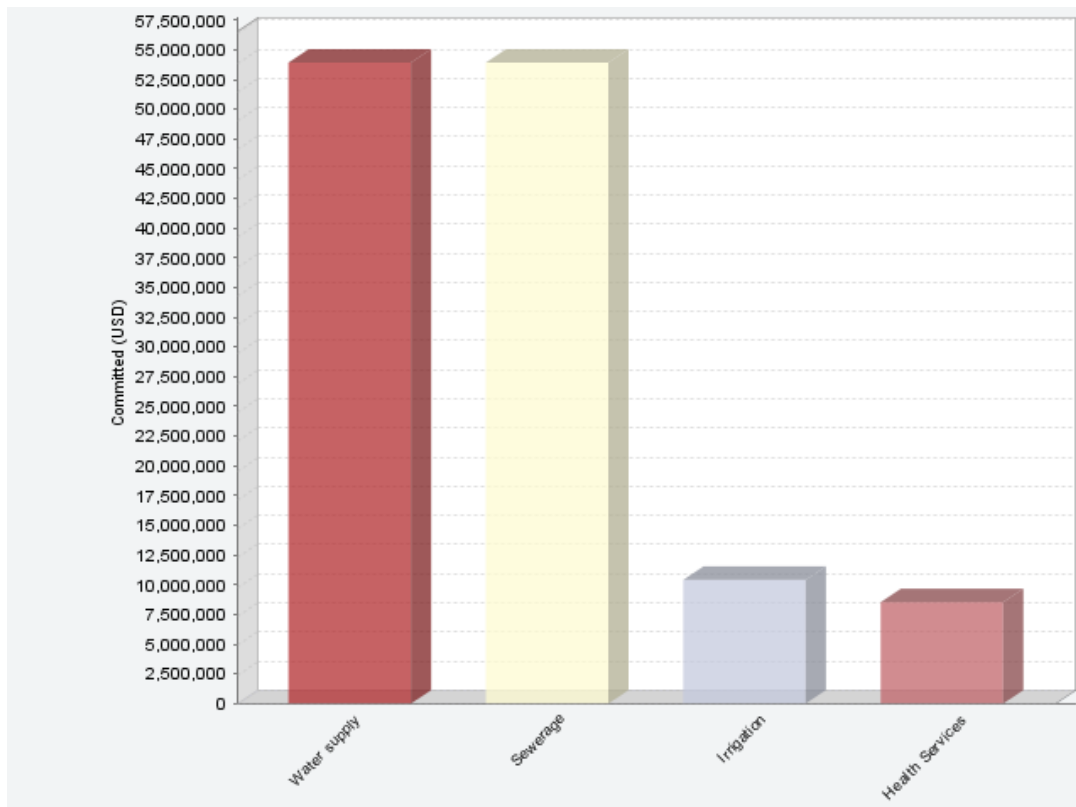


Chart (6) *Project Cost (UNDG's) by Donor and Sector

2.7. Sweden Contribution to KR:



According to data provided to MoP-DC through DAD Iraq, Sweden pledged US\$58 million and committed more US\$ 117 million to Iraq since 2003. Over two thirds of committed funds US\$ 100 million have been channeled bilaterally.

Security is the largest sector with commitments to date totaling US\$ 24 million, Sweden has funded (66) projects in Iraq to date representing a total commitment of US\$ 100,769,873 million.

To date, Sweden has disbursed almost US\$ 76,751,645 million and has (25) projects still ongoing in Iraq.

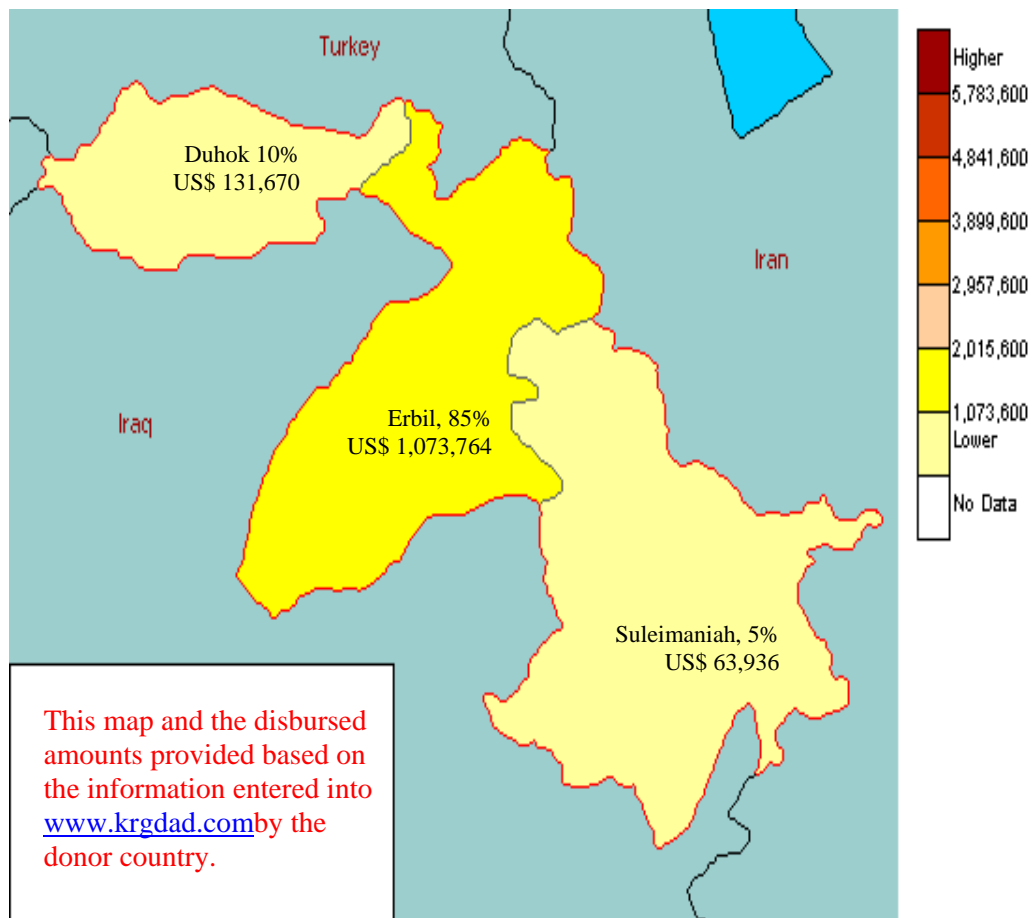
Sweden in particular, has made a substantial investment in the areas of Health, Construction, the environment and Security in Iraq (totaling almost US\$ 55,254,905 million). Since peaking in 2002 and 2008, Sweden's annual commitments and disbursements have subsequently fallen, for instance new commitments in 2005 totaled US\$ 23,944,750m but no commitment in 2008.

• **Table (13) Information on DAD KR about (Sweden) Projects**

| Donor/Project | No of Projects | Title | Committed (USD) | Disbursed (USD) |
|--------------------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------|-----------------|-----------------|
|  Sweden | 3 | | 1,369,091 | 1,269,370 |
| KR/000030 | | Country office in Duhok | 131,670 | 131,670 |
| KR/000031 | | Democratization in AL-Suleimaniah | 163,657 | 63,936 |
| KR/001501 | | Qandil, developing plan for basic service delivery, water and sanitation | 1,073,764 | 1,073,764 |

2.7.1. By Governorate:

According to data provided to KR-MoP through KRG-DAD, Sweden’s commitment for the Kurdistan Region is for funding projects on the governorate level Sweden committed US\$ 1,073,764.25 for Erbil, US\$ 163,657 Suleimaniah -Garmyan and \$131,670 for Duhok.



*Map showing the disbursements of (Sweden) by governorate

2.7.2. By Sector:

According to data provided to KR-MoP through KR-DAD the commitment of Sweden in the Kurdistan Region is in the sectors of Governance and Democracy, Infrastructure, Health, and Environment, and totals US\$ 1,369,091. Of these total commitments, US\$ 1,269,370 is disbursed.

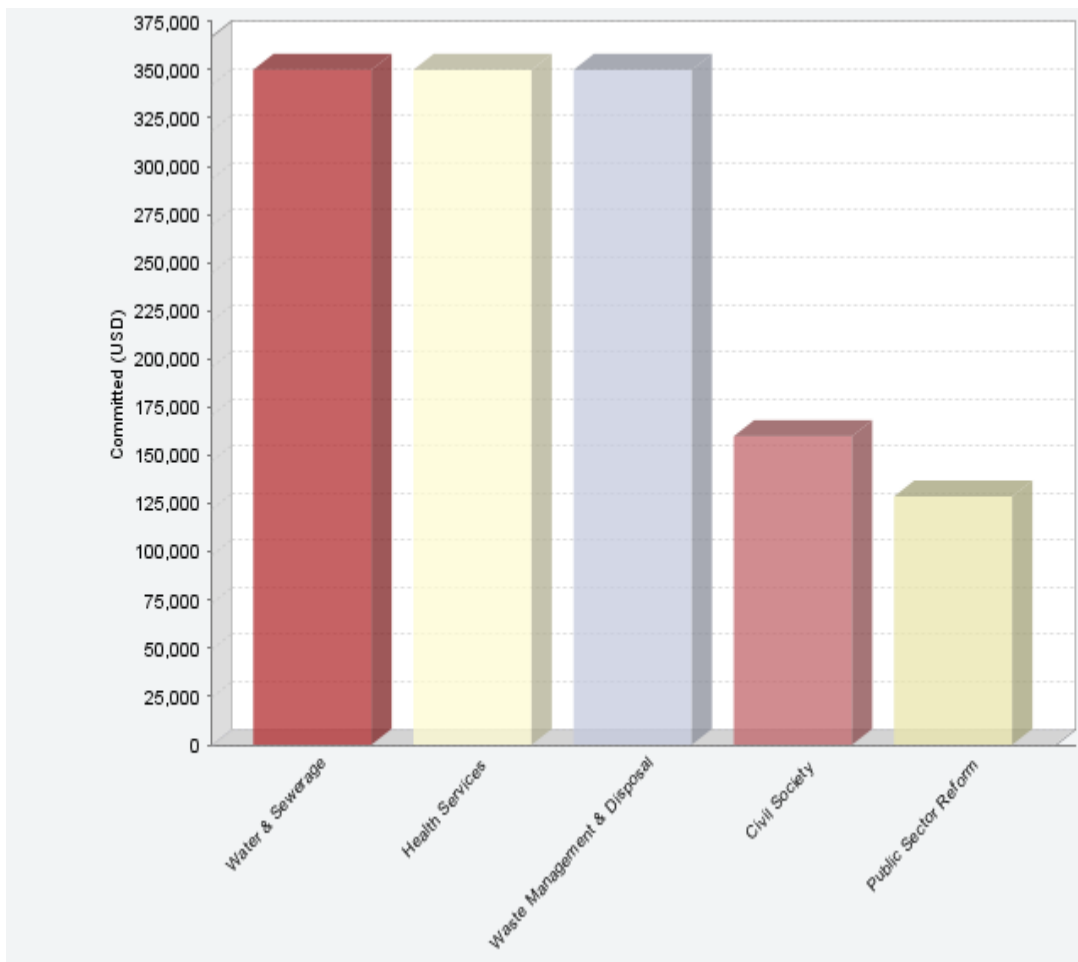


Chart (7) *Project Cost (Sweden) by Donor and Sector


2.8. United Kingdoms Contribution to KR:

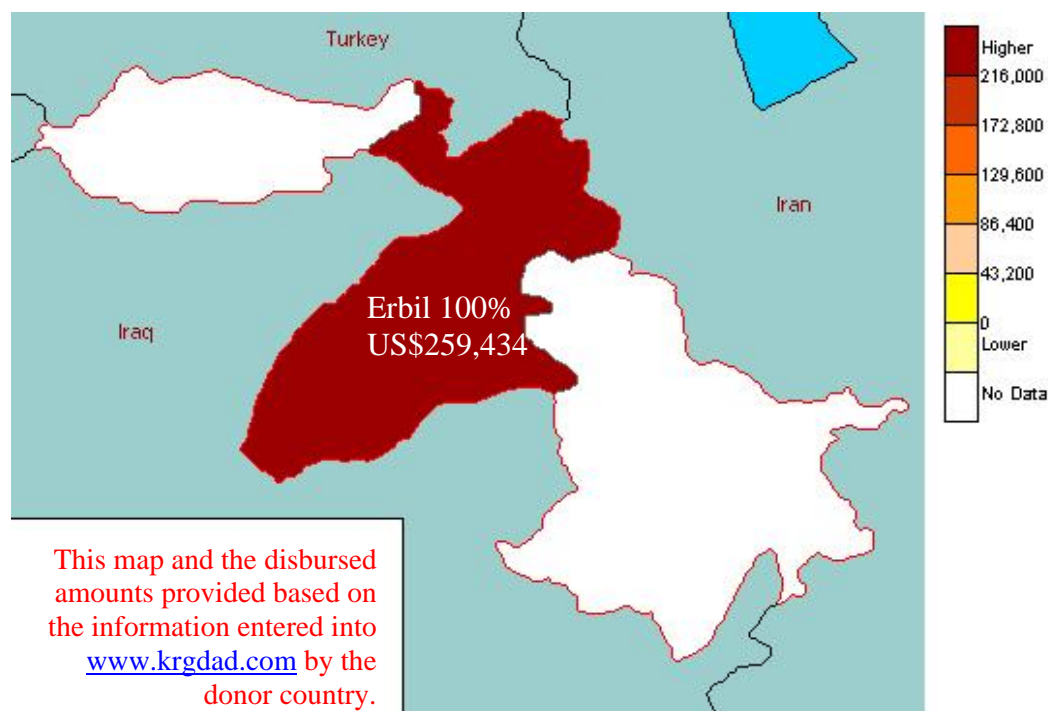


According to data provided to MoPDC through DAD Iraq, The United Kingdom government has committed US \$259,434 to Kurdistan and all of it is disbursed.

According to data provided to KR-MoP through KR-DAD, no sectors are defined for the UNITED KINGDOM commitments to Kurdistan Region. All of the commitments are allocated to Erbil governorate

- **Table (14) Information on DAD KR about (UK) Projects**

| Donor/Project | No of Projects | Title | Committed (USD) | Disbursed (USD) |
|----------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------|-----------------|-----------------|
|  United Kingdom | 1 | | 259,434 | 259,434 |
| KR/001116 | | Establishment of Humanitarian Information Centers (HICs). | 259,434 | 259,434 |




*Map showing the disbursements of (United Kingdom) by governorate

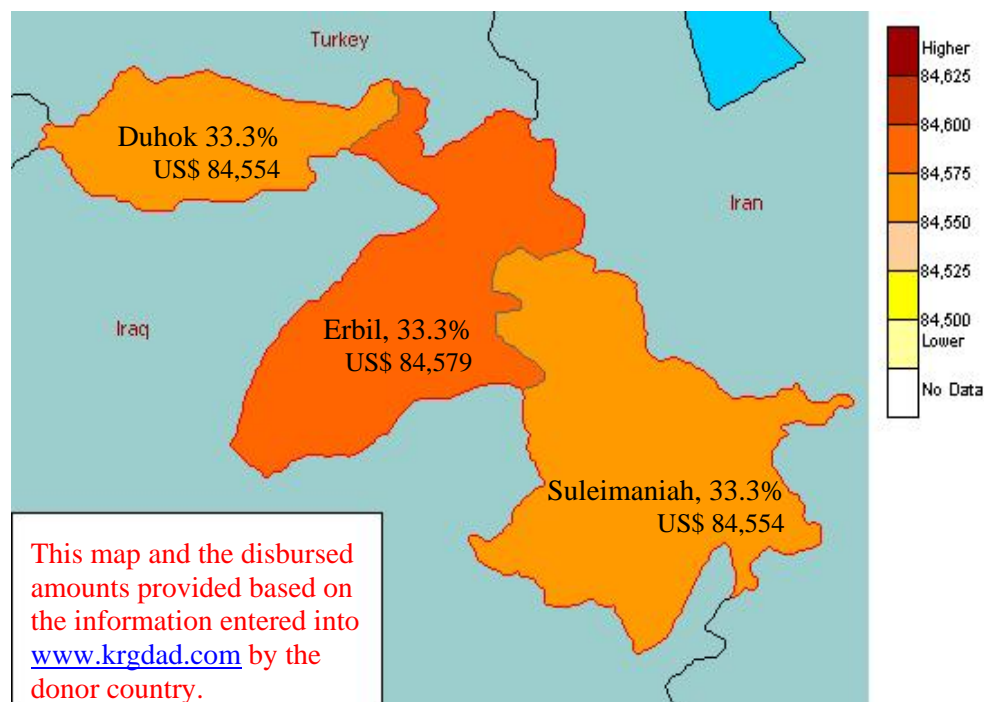
2.9. Norway's Contribution to KR:



According to data provided to MoPDC through DAD Iraq, The Norway government has committed US\$ 9,082,792 to Iraq since 2003 and US\$ 8,380,602 has been disbursed. According to data provided to KR-MoP through KR-DAD, the overall Norway commitment for Kurdistan Region is for projects in the sector of Security (US\$ 253,688) and all of it is disbursed and divided equally to the three KR governorates: Erbil, Suleimaniah -Garmyan and Duhok.

• Table (15) Information on DAD KR about (Norway) Projects

| Donor/Project | No of Projects | Title | Committed (USD) | Disbursed (USD) |
|--------------------------------------------------------------------------------------------|----------------|--------------------------|-----------------|-----------------|
|  Norway | 1 | | 253,688 | 253,688 |
| KR/000021 | | Mine Action in the North | 253,688 | 253,688 |




*Map showing the disbursements of (Norway) by governorate

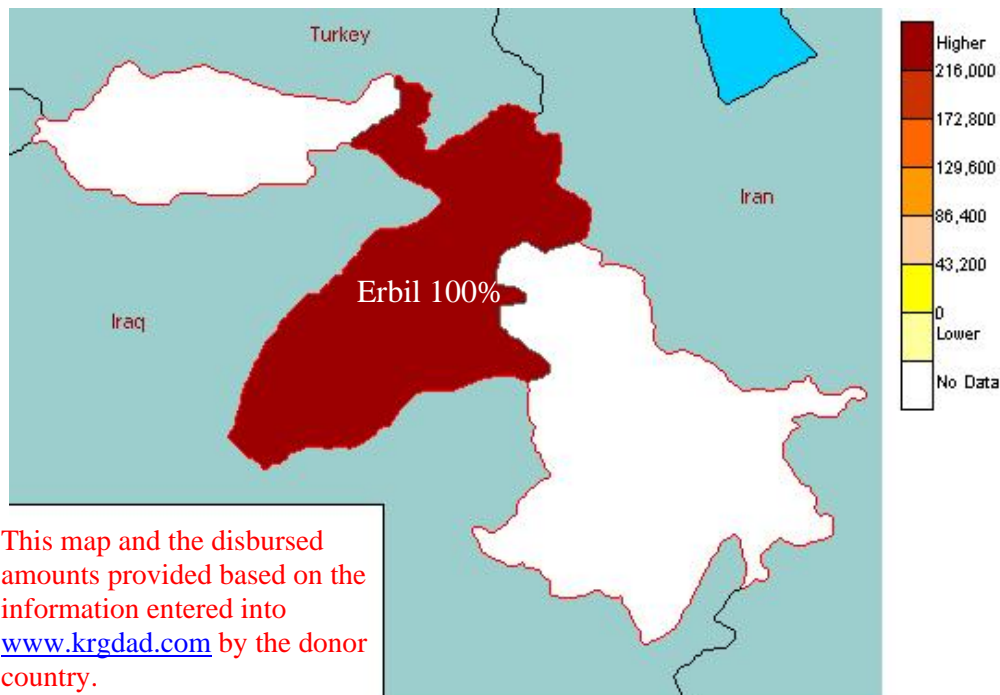
2.10. DENMARK Contribution to KR:



According to data provided to MoPDC through DAD Iraq, The Denmark government has committed US\$ 4,808,624 to Iraq Since 2003. About 48% of committed funds (\$2,334,822m) have been disbursed. According to data provided to KR-MoP through KR-DAD, the overall DENMARK commitment for Kurdistan Region is for funding projects in the sectors of Governance and Democracy: US\$ 205,641 of which US\$ 200,109 is disbursed. On the governorates level, DENMARK committed just for Erbil.

• Table (11) Information on DAD KR about (Denmark) Projects

| Donor/Project | # of Projects | Title | Committed (USD) | Disbursed (USD) |
|---------------------------------------------------------------------------------------------|---------------|-------------------------------------------|-----------------|-----------------|
|  Denmark | 1 | | 205,641 | 200,109 |
| KR/000008 | | Return to Rule of Law and Promotion of HR | 205,641 | 200,109 |



*Map showing the disbursements of (Norway) by governorate

2.11. WORLD BANK Contribution to KR:



The World Bank became engaged with Iraq in the summer of 2003

When it prepared a needs assessment together with the United Nations (UN).

The UN-World Bank “Joint Needs Assessment” was the basis for the October 2003 International Conference on Iraq in Madrid.

The first Interim Strategy Note (ISN) for Iraq was discussed by the World Bank’s Board of Executive Directors in January 2004. It built on the Bank’s work in 2003, including the preparation of Watching Briefs in key sectors as well as on the UN-World Bank Joint Needs Assessment.

The ISN relied on the Iraq Trust Fund to finance emergency investment operations and capacity building projects. Activities under the first ISN were organized under three tracks to:

- (i) Build Iraqi institutional capacity
- (ii) Prepare and start implementing emergency investment operations to support the delivery of urgent basic services
- (iii) Lay the groundwork for Iraq’s medium-term reconstruction and development program.

The second ISN for Iraq, discussed by the Board of Executive Directors in September 2005, provided the framework for an expanded program of analytical and advisory activities; as well as up to US\$500 million of International Development Association (IDA) lending and additional resources from the ITF.

Under the overall umbrella of strengthening institutions, the second ISN was organized around four pillars to:


- (i) Restore basic service delivery
- (ii) Enable private sector development
- (iii) Strengthen social safety nets; and
- (iv) Improve public sector governance.

To provide a continuum of resources, the second ISN envisaged possible IBRD support (in the order of \$500 million), assuming critical progress regarding creditworthiness. In 2008, the World Bank declared that he will update his strategic framework to guide its future engagement in Iraq. The preparation of the third ISN was to include an assessment of the implementation of the World Bank's program under the second ISN. The third ISN will also be informed by close collaboration with GOI, and consultation with key international donors.

While the strategic direction for the third ISN is not expected to depart substantially from the four pillars proposed under the second ISN, some shift in emphasis may be appropriate, based on the progress and experience of the last two years.

According to data provided to KR-MoP through KR-DAD the overall WORLD BANK commitment for Kurdistan Region for funding the projects is US 86,000,000 but nothing has been disbursed.

● Table (16) *Information on DAD KR about (WB) Projects

| Donor/Project | # of Projects | Title | Committed (USD) | Disbursed (USD) |
|----------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|  WB | 2 | | 86,000,000 | |
| KR/000019 | | A. construction another side of Erbil _Altunkopry road with (43) Km B. construction of tubular and boxer cross bridges (sluices) | 46,000,000 | |
| KR/000020 | | Dokan & Derbandikhan Hydro Power Stations | 40,000,000 | |

3. Impact analysis:

Monitoring the performance of donor in Iraq and the KR in particular, we note the following key points:

- (i) The United States is the major contributor to Iraq reconstruction process. Only in Kurdistan Region, it has committed US\$ 723,138,786 or 66.26% of the total contributions. The US has disbursed US\$ 606,623,822 out of its commitment to the Kurdistan region, which is 78.16% of the total amount allocated.
- (ii) The World Bank has pledged to provide US\$ 40 million dollars, but has not committed any of it so far.

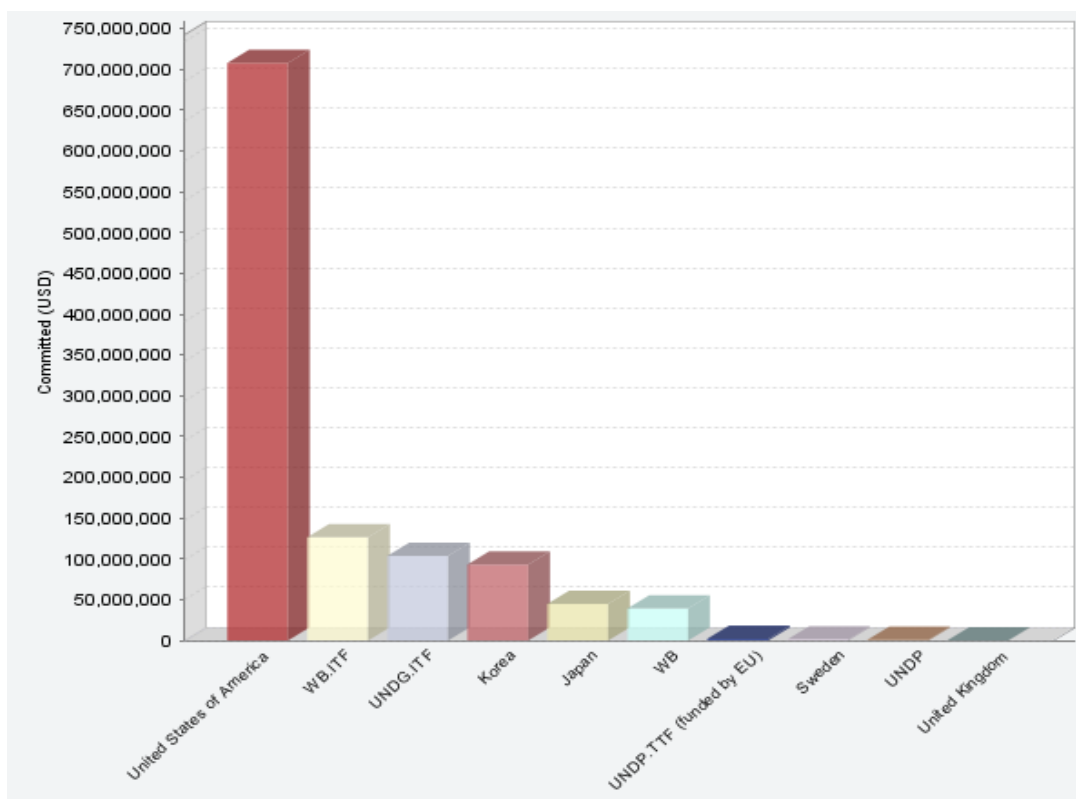


Chart (8) Display Donor Country Contributions in Kurdistan Region

- (iii) There is no clear and consistent vision between donor countries and KR with respect to a mechanism to identify priorities and to develop policies and plans, or to categorize and to develop policies and plans, or to identify projects which are in the best interest of the region.

- (iv) A financial commitment to the KR does not match with the agreed 17% Iraqi national revenue sharing agreement instead it has received 5.86%. The committed ratio was supposed to lead to a reduction in security funding, so that the volume of expenditure on security issues could be reduced and exchanged for increased spending in development sectors.

It is unfortunate to see that the Donors Country have not fully benefited from the good security situation of the Kurdistan Region to implement more projects, further more they have not taken into account that the Kurdistan region was affected more than other parts of Iraq by the Baathist policies, which was characterized by racial discrimination against Kurds (and others). The result of these policies led to a serious neglect of infrastructure and other facilities in the KR. The brutal policies against the Kurds during the demolition of villages and destruction of agricultural lands in the Anfal operations have also led to forced displacement of Kurdish families from one area of residence to another. A significant role in the economic decline of both agricultural and livestock sector, which was, and still, is the main economic source of many of the Kurds resulted from the demolition of villages and displacement of people.

Finally, we strongly recommend that the donor countries share information and specially update their projects on DAD-Kurdistan to ensure that the full contribution is captured in the database. Furthermore, we emphasize on a better donor coordination and particularly better coordination with MoP-DCC, The External Recourse Management unit, which is a mechanism placed to utilize External Resources. Donors are recommended to use this unit and ensure that no further projects are funded without the approval of ERMU.

As of 2010 the MoP-through ERMU will conduct quarterly coordination meeting in Erbil and request all donors and UN agency to attend the Meeting.

* Contact us,

For more information on this report or any other issues relating to your country's contribution to KRG, you can contact us by following means:

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