

What is MDRP's Multi-Donor Trust Fund?

The Multi-Country Demobilization and Reintegration Program (MDRP) is financed through two separate but complementary windows:

- the World Bank/International Development Association (IDA) funds of up to US\$150 million and a Multi-Donor Trust Fund (MDTF) of US\$350 million
- parallel partner support of individual D&R activities within the MDRP framework is also likely.

Whereas World Bank funds only finance national programs, the MDTF also finances:

- demobilization of government and irregular forces engaged in the conflict(s);
- temporary reinsertion benefits to ex-combatants;
- social and economic reintegration of ex-combatants, including special target groups;
- special projects for demobilization and/or reintegration implemented by UN Agencies or Non-Governmental Organizations (NGOs);
- special regional activities; and
- management and monitoring of the overall program.

Multi-Donor Trust Fund

MDRP activities are funded through a Multi-Donor Trust Fund (MDTF). As with most multi-donor trust funds, all donor resources are pooled in a single Trust Fund account; there is no earmarking of funds for specific countries, program activities, or cost categories is possible. The program estimates the size of the target group for eligible countries, in order to ensure that adequate funding for each country, regardless of the start date of their respective national programs.

A Trust Fund committee composed of representatives of all contributing donors oversees the utilization of regional MDTF resources. The costs of coordinating the MDRP and administering the MDTF are estimated at 2.1 percent of MDRP program costs and 3.0 percent of the MDTF. All interest and investment income earned on contributions to the MDTF are added to the principal balance. An annual audit of the World Bank's overall management of trust funds is carried out by the World Bank's external auditors at the expense of the World Bank. Independent management reviews specifically of the MDTF will be undertaken at midterm and at program end.

Financing Flexibility

The continuing uncertain security situation in the greater Great Lakes region prevents data collection about the exact numbers of irregular forces, and makes it difficult to maintain an actual demobilization calendar or time repatriation. The MDRP therefore retains considerable implementation and financial flexibility; the definition of activities and eligible expenditures under the MDTF are broad to allow substantial variation.

Program Execution

Program implementation units of the eligible national governments are generally responsible for the overall management of national programs, and are the recipients of MDTF grants. UN agencies and other organizations in this case act as executing agencies and grant recipients for special projects, and the World Bank is responsible for executing regional activities and program management under the Trust Fund.

Grant agreements are prepared between the World Bank as MDTF administrator, and the recipients. These agreements outline the activities, cost categories and level of expenses to be financed, and the standard procurement and financial management procedures to be used for project implementation. These MDTF grants with recipient countries apply the same financial management and procurement guidelines and procedures as the parallel World Bank loans/credits. In the case of special projects, standard World Bank procedures, similar to those of UN agencies, apply, with specific thresholds and prior review ceilings adapted to the special nature of the recipient and the emergency nature of D&R operations.