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Field trip of the International Reconstruction Fund Facility for Iraq Donors Committee

On the 18th and 19th May 2008 I was the European Parliament representative in a IRFFI (International Reconstruction Fund Facility for Iraq) donors committee field trip to Nassirya (Dhi Qar).

Background:

The IRFFI

The International Reconstruction Fund Facility for Iraq (IRFFI) was launched early in 2004 by the United Nations and the World Bank to help donor nations channel their resources and coordinate their support for reconstruction and development in Iraq. So far the donors have pledged over \$1.83 billion to the Trust Fund Facility to ensure responsive financing for near-term and medium-term priority investments in the country.

About 90% of EU funds for Iraq have been channelled through the IRFFI, on a total of €638 million, placing the EU as the biggest donor of this fund. By the end of 2007 the total EU support to Iraq had reached €829 million.

Budgetary Control and IRFFI

The Budgetary Control Committee (COCOBU) of the European Parliament, where I am full member and Socialist Coordinator, has repeatedly questioned the European Commission on the contribution of the EU budget to Iraq's reconstruction, namely Commissioner Ferrero-Waldner on the 2005 and 2006 discharge procedure and on the 2008 budgetary procedure.

- Written questions in the context of Commissioner Ferrero-Waldner's hearings for the 2005 and 2006 discharge and during the hearings (23rd of January 2007 and 20th November 2007, respectively)
- In the context of Budget 2008 procedure (Amendments 955 and 942 to budgetary lines 19 10 03 (10% of CA in reserve) and 19 01 01 01 (20% of appropriations in reserve)).

Participation of EP in the financial verification mission

Taking into account the rapid increase of EU funds channelled through international trust funds (700% increase over the last 5 years for the only UN) and the limited EU visibility, political guidance and control inherent to this procedure, the EP and in particular CONT have insisted since several years that it should be more closely involved in the financial control on the ground.

In this context, in the 2nd April 2008, during a meeting with Hedi Larbi, World Bank Country Director for Iran, Iraq, Lebanon, Jordan and Syria, organised under the auspices of Mr. Herbert Bösch, Chairman of COCOBU, the participation of Members of this Committee in a field trip to Iraq was envisaged. The meeting was followed by a first invitation from the World Bank (10/04/2008).

Given the importance that COCOBU attaches to transparency and control of the EU funds, namely the ones channelled via international organisations in the domain of external actions, it engaged in a quite long procedure to formally assure an EP participation in this mission. This procedure included letters from COCOBU to the President of the European Parliament (17/04/2008 and 13/05/2008) and discussions in the Conference of Presidents (24/04/2008 and 15/05/2008) until the authorisation to the mission was granted.

Conclusions:

1. The participation of the European Parliament as the budget control institution of the main donor of IRFFI sent an important signal to the donors and the WB / UN, that the EP is willing support financing international efforts in Iraq, but, under the condition that the funds are used in an effective and trustful way;
2. The main achievement of the programme of the visit (see Annex 2), however, was not so much to verify projects on the ground (as participants would have supposed), but, to enable most of the main actors and donors of the Fund to meet and to clarify their perspectives and points of view;
3. Overall security conditions continue to be very critical, to the point that no visit was made outside the military compound (some of the participants that came from Basra - 200 Kms to the South of the military compound - had to come via third countries, as the road is still unsafe);
4. Taking into consideration the security situation it is therefore not understandable that some European countries might consider Iraq as a safe country for refugees to return;
5. However this was not clear from the programme of the mission and a pre-warning that the presentation of the projects would be made on the ground of photographs, would have been useful; the idea that it is possible to make the reconstruction follow-up and control by photograph - openly defended by UNAMI during the meeting - seems to symbolise the lack of understanding from some high ranking officials of the nature of the challenges faced ;
6. The main criticism by a number of donors (see Annex 1) was on the fact that UN agencies are not working based on Iraq; furthermore the number of UN agencies involved bares the high risk (and reality) of overlapping and lack of coordination;
7. After some discussion, donors agreed that the UN should base its work from an Iraqi basis such as Erbil, even if there will be bigger operational costs than using Amman;
8. As a positive and intelligent move was judged, that the UN had engaged several Iraqi refugees as professionals for field work;
9. The lack of security conditions for a sustained effort of reconstruction as well as the very low capacity and trustworthiness of the national authorities calls into question the realism of the reconstruction strategy; as the donors are considering that Iraq is still very much in a urgency situation extended humanitarian relief could be more adapted;

10. The World Bank unannounced failure to show up without warning or justification in a mission it was hosting is unacceptable and completely disrespectful of the donors including the EU.

Annex 1

Participants:

- Ambassador Gianludovico de Martino, Chairman of the IRFFI Donors Committee;
- Marianna Tonutti, Responsible for IRFFI Secretariat, Baghdad;
- Paulo Casaca, European Parliament
- Ambassador Ilkka Uusitalo, Head of the EC Delegation to Iraq;
- Anna Prouse, Team Leader, Dhi Qar PRT/RSU
- Jawad Kadum Murad, Thi-Qar Governor Office Manager
- Representatives of Denmark: Jakob Rogild Jakobsen, Head of Section Middle East and North Africa Dept. Danish MoFA and Ole Stokholm Jepsen, Senior Agricultural Adviser;
- Representatives of Japan: Kansuke Nagaoka, Minister Counsellor of Japanese Embassy;
- Representatives of the United States: George H. Frowick, ECON-Finance and Development; Conley James, USDA PRT Liaison-OPA US Embassy, Baghdad; Marie Moser, Responsible for Quick Response Fund grants in Washington; Robert Pyott, Deputy director NEA/Iraq Economic Affairs; Brian D. McCauley, International Economist - U.S. Treasury Department; Mark Daryl Erickson, Economic Officer, Embassy of the US in Baghdad; Rebecca B. McElwain, Comander of the 106th Financial Management Company;
- Representatives of the UK: Justin Holt, DFID - UK Government's Stabilisation Unit
- Representatives of Italy: Nicola Bazzani, First Secretary of the Italian Embassy; Guglielmo Giordano, Counsellor Italian MoFA;
- Representatives of UN: Guy Siri, Deputy Reconstruction and Humanitarian Coordinator; Darbaz Hwizi, National Project Officer, UN-Habitat; Sudipto Mukerjee, Chief Technical Adviser Programme Manager, UN-Habitat; Sareer Aram, Coordinator ICIC, UNICEF Iraq; Samson Samuel, WHO, Basra; Sinan Shakir A. Karim, General Manager Basra Development Services, UNDP;

Absent:

- Representatives of Canada: Ambassador Margaret Huber, Canadian Ambassador to Jordan and Iraq and Hon-Won Yu, Counsellor on Development in Iraq;
- Representatives of Spain: Kinda Kharman, General Coordination for Iraq AECID and Juan Ignacio Iquino, Head of Unit of the Director AECID
- Representatives of World Bank: Haleh Z. Bridi, Head of WB office in Brussels

Annex 2

Programme:

The mission's programme of the mission was transmitted on departure's eve and was the following:

18 May

- 07.30 – 08.00: Arrival in Tallil Airport / Transfer to PRT headquarters
- 08.00 – 09.15: Reception at Italian-led Provincial Reconstruction Team (PRT) / Reconstruction Support Unit (RSU).
- 09.15 – 09.30: Transfer to PRT Mittica Training Centre
- 09.30 – 10.30: Breakfast at PRT Mittica Training Centre / Visit of Painter Khamal's exhibition / Visit of the Mobile Surgery Unit
- 10.30 – 11.00: Poem's in Music (Nasiriyah Band)
- 11.00 – 11.30: Welcoming remarks by IRFFI donor committee chair and PRT team leader
- 11.30 – 12.00: Governor Aziz Alwan addresses capacity building and budget execution at the provincial level
- 11.20 – 12.30: PC Chairman Ihsan Al-Taei addresses private sector development, banking system and bidding procedures
- 12.30 – 13.00: Women's play
- 13.00 – 14.30: Lunch
- 14.30 – 15.00: UNDG-TFI and WB-TFI overall presentation of ongoing IRFFI financed activities
- 15.00 – 15.30: WHO Presentation
- 15.30 – 16.00: UNICEF Presentation
- 16.00 – 16.20: UN-Habitat Presentation
- 16.20 – 16.30: Questions / Remarks
- 16.30 – 17.00: Transfer to Ziggurat
- 17.00 – 17.30: Drama Music and Painting (Nasiriyah Union of Dramatist)
- 17.30 – 19.30: Dinner
- 19.30 – 20.00: Visit to the archaeological sites

19 May

- 9.00 – 9.15: Transfer to Mittica
- 9.15 - 10.00: Breakfast at Mittica
- 10.00 – 10.30: Chief of Police MG Hussein and 10th Division Commander MG Habib brief on challenges of security in reconstruction
- 10.30 – 11.00: Iraqi Documentary on Sumerians
- 11.00 – 11.10: UNIDO Presentation
- 11.10 – 11.30: UNDP Presentation
- 11.30 – 11.40: FAO Presentation
- 11.40 – 11.50: ESCWA Presentation
- 11.50 – 12.00: UNOPS Presentation
- 12.00 – 12.30: Questions / Remarks
- 12.30 – 13.00: Closing remarks
- 13.00 – 15.00: Lunch also with local media