

## State of Play July 2009

### Introduction

The effects of years of war, lack of security and international economic sanctions have greatly affected Iraq's economy and the country's infrastructure and thus, the provision of quality basic services. The restoration of basic service provision is a fundamental step in normalising, and improving, the quality of daily life of the population. Therefore, since 2004, the European Commission (EC) has placed significant emphasis on support for the provision of basic services.

This edition of the State of Play gives an overview of EC efforts to improve basic services such as water and sanitation, education and health for the population in Iraq (*see point 1*).

On July 22<sup>nd</sup> the EC signed a Memorandum of Understanding (MoU) with Iraq's Council of Representatives (CoR), an important step forward in developing closer co-operation between the EC and the CoR (*see point 2*).

In addition to the specific envelope available for co-operation programmes with Iraq under the Development Co-operation Instrument (DCI), other funding tools including the European Instrument for Democracy and Human Rights (EIDHR) and the thematic programmes of the DCI are also available to fund projects in Iraq (*see point 3*).

The State of Play also provides an account of the Commission's proposed assistance package for 2009-2010 (*see point 4*) and an overview of EC assistance for the period 2003-2008, which amounts to €33 million (*see point 5*).

### 1. EC assistance to basic services in Iraq

Support to basic services in Iraq is a key focus for the Commission, with assistance to basic services amounting to €345 million since 2004. Up to 2007 this support was primarily implemented through the UN arm of the IRFFI<sup>1</sup>. The Commission's

contribution was co-mingled with other donors' funds for the implementation of projects to support the Government of Iraq (GoI) in providing quality basic services to the population.



*Children in the Governorate of Wasit go to a school rehabilitated and provided with student and teacher kits as part of a project implemented by UNICEF. (Photo: UNICEF)*

In the **water and sanitation sector**, assistance has been provided to a wide range of projects. Specific examples of the results of recently implemented projects include: increased water supply to Al Karkh district in Baghdad by 10 million gallons per day, benefitting almost half a million residents; operational improvement of existing water distribution networks in two towns in Thi Qar, through repair and replacement of approximately 10kms of the existing water distribution network and extension of a new 20km network, serving 35,000 residents; increased access to safe water through rehabilitation of treatment units, extension of networks, and construction of storage tanks, in districts in the governorates of Basra, Wasit, Kirkuk, Suleimaniyah and Erbil; improved environmental conditions in Basra through the rehabilitation of a main sewage treatment plant; strengthened surveillance of water quality across the country via the delivery of eight mobile laboratories and rehabilitation of one central laboratory; strengthened capacity of governmental staff in procurement of specialised equipment and supplies, and in improved operation and management of water and sanitation systems; and, improved capacity for officials of the

<sup>1</sup> International Reconstruction Fund Facility for Iraq (IRFFI) is a multilateral mechanism established in 2004 which consists of two distinct trust funds, the United Nations Development

Group Iraq Trust Fund (UNDG ITF) and the World Bank Iraq Trust Fund (WB ITF).

Ministry of Municipalities and Public Works (MoMPW) to formulate and implement national-level waste management laws and to design and implement Solid Waste Management programmes.

As part of the Commission's *2008 Assistance Package* one major programme focuses on upgrading the water and sanitation sector in Iraq for an amount of €7 million. The main objective of this programme, implemented by UNICEF, is to enhance services and increase Government capacity to better manage the water and sanitation sectors in Iraq. The project seeks to enhance access to water and sanitation services particularly for women and girls; strengthen the institutional set-up for medium to long term planning, including a reliable and updated information base, systematic development of human resources and upkeep of facilities; and promote acceptance of locally appropriate technologies and strengthen the Government's capacity for policy development.

The Commission, aware of the needs of the Iraqi **health sector**, has devoted a total of €17 million of Iraq reconstruction assistance to this sector so far. Assistance has been provided via the IRFFI for the revitalisation of the primary health care system in Iraq, in particular through infrastructure rehabilitation, construction of facilities, provision of supplies and equipment, training of staff, and revision of policies and strategies. Programmes supported the Ministry of Health (MoH) in terms of disease prevention, control, eradication and elimination, to transform the centrally-planned and curative care-based services into a new equitable system based on prevention, evidence-based, affordable, high-quality and easy access.

Capacity building of staff of the MoH has been an important part of assistance. Capacity building in the field of immunisation has resulted in 80% infant immunisation coverage by all essential vaccines in a number of districts.

There has been a particular focus on reaching vulnerable groups and those in remote areas, such as the inhabitants of the marshlands, through the procurement of ambulances and mobile health units.

Recently completed hospital rehabilitation projects include rehabilitation of Tikrit and Ramadi hospitals, and construction of the Maternity and Children's Hospital in Fallujah; while another project focused on improving the power supply to medical centres.



*Schoolgirls study at their newly refurbished school in the Governorate of Wasit as part of a project implemented by UNICEF. (Photo: UNICEF)*

A number of health-awareness campaigns have been conducted, targeting community leaders, teachers, and parent-teacher associations, in collaboration with relevant authorities and focusing on health and hygiene.

The Commission's *2008 Assistance Package* comprises a key programme focusing on support to specialised medical services. This programme, implemented by the World Health Organisation, has an envelope of €13 million and seeks to improve the functioning of the national and regional blood bank services to ensure the availability of blood products and reduce transmission of communicable diseases through blood transfusion. In parallel, support is being provided to emergency medical services in order to improve pre-hospital services, in-hospital emergency services and long-term care and mental health support.

In the **education sector**, EC support has sought to enhance access to, and improve participation and completion at all levels of education in Iraq. Projects implemented via the IRFFI have aimed at rehabilitation of schools; reduction of overcrowding in educational establishments; developing an improved learning environment through the provision of teaching and learning materials; procurement and distribution of textbooks; enhancing policy formulation and curriculum development; and improved health and nutrition of students.

In order to enhance access to all levels of quality education, a major focus has been put on improving school environments to meet minimum child-friendly standards.

Recently implemented projects resulted in the rehabilitation of two youth centres in Basra and Babil. They were furnished with needed equipment

and supplies including computers and sewing machines. These centres offer free services to youth and children, with activities including computer skills, arts, drama, photography, library, sewing, music and English language.



Schoolgirls play basketball supplied as part of a recreational kit under a project implemented by UNICEF in Baghdad. (Photo: UNICEF)

The provision of essential vocational workshop equipment and IT infrastructure to the Ministry of Education (MoE) has allowed the Ministry to provide quality technical education schools and institutions in Iraq. Other recent activities include health promotion in schools and the screening of students for visual and hearing difficulties; national training for teachers and doctors in detection of visual and hearing difficulties and on psychosocial support.

As part of our 2008 programme, the EC has supported two education programmes in Syria. One programme of €10 million focuses on emergency support to the Syrian education sector. It aims to help the Syrian public authorities in coping with the financial and physical strain caused in the education sector by the large influx of Iraqi refugees. The other, a programme of €4 million contributes to expanding the absorption capacity and improving the quality of primary and secondary education for Iraqi and Syrian children in Syria.

The 2008 Assistance Package includes a programme for the support to the return and reintegration of returnees and IDPs within Iraq with an envelope of €6 million. The overall objective of the programme is to create a protective environment for returnees and IDPs in Iraq, and facilitate their search for durable solutions. Among the objectives of the programme is the provision, to returnees, IDPs and community members, of access to sustainable and adequate quantities of safe drinking water and the promotion of healthy, sanitary, living conditions. It

also provides for safe and adequate minimum standard of accommodation to vulnerable returnees and IDP families.

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## 2. Signature of a Memorandum of Understanding with Iraq's Council of Representatives

On July 22<sup>nd</sup> the EC signed a Memorandum of Understanding (MoU) with Iraq's Council of Representatives (CoR). The signing of this MoU is an important step forward in developing closer co-operation between the EC and the CoR, and for the implementation of the first bilateral programme between the EC and the Government of Iraq which was agreed through the signature of a Financing Agreement between the two parties in March of this year. This programme, part of the 2008 Assistance Package, involves *Technical Assistance to Iraqi institutions* for an amount of €10.6 million.

The overall objective of the programme is to assist in building the capacity of specific Iraqi institutions, with a view to establishing a modern Iraqi administration, based on the principles of democracy, good governance and accountability. The programme will provide technical assistance to Iraqi institutions such as the CoR, the Higher Institute of the Ministry of Interior and several Iraqi ministries.

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## 3. Support through Thematic Operations

In addition to the DCI country specific envelope for co-operation activities with Iraq, the EC has various other funding instruments which can complement the country specific programme. These include the thematic programmes of the DCI, such as 'Investing in people' and 'non-state actors and local authorities in development', and the European Instrument for Democracy and Human Rights (EIDHR).

In 2008 the EC signed a contract for the implementation of one project, successfully selected for funding under the EIDHR, and implementation of this project is now underway. The project seeks to build the capacity of Iraqi civil society organisations, improve the awareness of, and enhance respect for, human rights. More information on these funding instruments is available at the following address:



[http://ec.europa.eu/europeaid/what/deliveringaid/funding-instruments/index\\_en.htm](http://ec.europa.eu/europeaid/what/deliveringaid/funding-instruments/index_en.htm)

Regular Calls for Proposals are published on DG EuropeAid's website, and after a selection procedure, grants are awarded to fund successful proposals. Non-governmental organisations seeking to implement projects in Iraq should monitor DG EuropeAid's website where all Calls for Proposals are announced. More information on these Calls for Proposals is available at the following website: [http://ec.europa.eu/europeaid/work/funding/index\\_en.htm](http://ec.europa.eu/europeaid/work/funding/index_en.htm)

#### 4. EC Assistance for Iraq 2009-2010 Programme

In order to move progressively towards a regular multi-annual programming strategy for Iraq, the Commission has defined a two-year integrated assistance package for the period 2009-2010 with a total budget of €65.8 million. This will be followed by a Country Strategy Paper (CSP) for the period 2011-2013, prepared in accordance with established procedures. The Information Note on the integrated assistance package for 2009-2010 was sent to Member States and to the European Parliament in June 2009. This document, entitled 'Iraq: capacity building programme 2009-2010' can be viewed at: [http://ec.europa.eu/external\\_relations/iraq/index\\_en.htm](http://ec.europa.eu/external_relations/iraq/index_en.htm)

The 2009 programme is currently being finalised. It is expected that a Commission Decision can be taken on this programme by end November 2009.

Iraq has a rich and diverse resource base, and the effective and efficient utilisation of these resources can lay the foundation for sustainable growth. The key role for the international community, including the EC, has become one of helping Iraq mobilise its own resources to improve the welfare of the Iraqi people and rebuild the country's infrastructure.

Despite Iraq's considerable resources, access of the population to basic services continues to be severely limited, and although major reforms have taken place in the country in recent years, the capacity of Iraq's governance structure and rule of law system remains weak. Therefore, the capacity and institution building programme of the 2009-2010 package will focus on 'Good Governance' and 'Delivery of Basic Services'. The selection of these priority areas for

EC support stems from direct discussions held with Iraqi authorities during consultations held in 2008 and 2009.

In the area of 'Capacity building of Iraq's institutions dealing with delivery of basic services', the Commission wishes to focus on education, health, migration and displacement. In the area of Good Governance, EC assistance will further focus on support to the political process, elections and the rule of law. Technical assistance to the newly established Independent Human Rights Commission has also been targeted for support. Finally, in order to facilitate the development of a strong and articulate civil society capable of playing a constructive role in fostering national reconciliation, contributing to peace and security and articulating the concerns of Iraq's citizens, the 2009-2010 package includes support for project proposals from civil society organisations.

#### 5. Overview of EC support during the years 2003-2008

EC support to Iraq from 2003 to the end of 2008 amounted to €933.1 million. This includes reconstruction support, amounting to €785.3 million, and humanitarian assistance. All assistance was given in the form of grants.

**Table 1: EC support to Iraq**

	AIDCO	RELEX	Total	ECHO	Total
2003	34.0	8.0	<b>42.0</b>	100.0	<b>142.0</b>
2004	162.5	14.0	<b>176.5</b>	-	<b>176.5</b>
2005	200.0	-	<b>200.0</b>	-	<b>200.0</b>
2006	200.0	-	<b>200.0</b>	-	<b>200.0</b>
2007	89.7	3.0	<b>92.7</b>	17.8	<b>110.5</b>
2008	72.6	1.5	<b>74.1</b>	30.0	<b>104.1</b>
Total	<b>758.8</b>	<b>26.5</b>	<b>785.3</b>	<b>147.8</b>	<b>933.1</b>

\*All figures in € million.

AIDCO: EuropeAid Cooperation Office

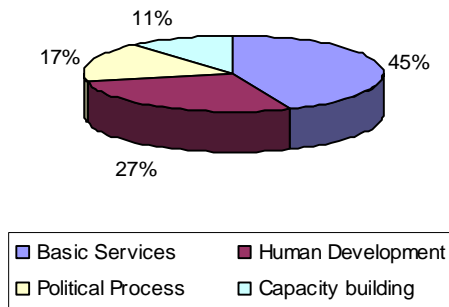
RELEX: External Relations Directorate-General

ECHO: Humanitarian Aid Directorate-General

The pie chart shown below illustrates the main categories into which EC reconstruction support is divided. In line with the main objective of EC aid to Iraq, almost half of the aid has been allocated to the development of basic services and almost one

quarter has been used in Human Development sectors. The balance has been attributed to electoral support and institutional capacity building.

EC Aid Distribution by Main Category



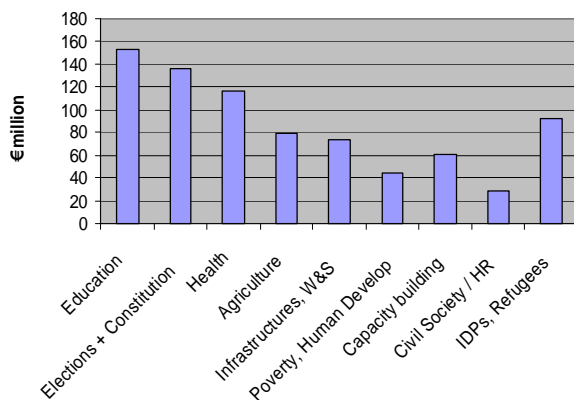
**Basic Services:** Education, Health, Infrastructure, Water & Sanitation.

**Human Development:** Agriculture, Rural Development, Poverty Reduction, Land Mine Action, Durable Solutions for Refugees.

**Political Process:** Elections, Constitutional Process.

**Capacity Building:** Civil Society, Human Rights, Trade & Customs, Technical Assistance, Justice & Rule of Law.

EC Total Aid per Sector\*



\* excluding Humanitarian Aid, managed by ECHO.

To enhance aid effectiveness, sustainability and Iraqi ownership, EC assistance to Iraq is in line with the objectives of the International Compact with Iraq and the Iraqi National Development Strategy.

From 2004-2007 EC support has principally been channelled through the IRFFI – the International Reconstruction Fund Facility for Iraq, a multilateral mechanism established in 2004. The IRFFI consists of two distinct trust funds, working independently but in a coordinated way: the UNDG ITF and the WB ITF.

Channelling funds through the IRFFI has had considerable advantages in a period where reconstruction work in Iraq was extremely difficult. It has allowed the International Community to combine their efforts through a common strategy and action channel. Working through the IRFFI has also enabled the EC to acquire knowledge which is invaluable for future EC activities in Iraq.

From 2008 onwards, this approach is being replaced by bilateral actions, in recognition of the increasing capacity for dialogue and leadership of the Iraqi Government and administration in the reconstruction efforts.

25 donors had contributed to the IRFFI, for a total of US\$ 1 854 million as of end of March 2009. The total EC commitment to the IRFFI was €605 million or \$772 (\$591.79 to the UN ITF and \$179.74 to the WB ITF) representing 41.6% of all commitments to the IRFFI.

One important EC-funded programme, implemented via the WB ITF, focuses on Public Finance Management Reform and Banking Restructuring. Implementation of this programme got underway in March after a careful preparation period, involving detailed arrangements with regard to full implementation of the programme. This ambitious programme is expected to substantially reform the financial processes of the Government and the public banking system in Iraq, both continuing to work under a very centralised set-up, inherited from the previous regime. The programme received €20 million funding from the Commission for a foreseen duration of three years, and is being implemented by the World Bank in close partnership with the Iraq Ministry of Finance and the Central Bank.

In addition to the multilateral aid channelled through the IRFFI, a number of actions with UN agencies have been undertaken to-date. These include among others:

**Human Rights - €2.6 million:** In 2005 a project was agreed with UNDP and UNOPS providing critical support, including training, to civil society development in Iraq in the field of Human Rights. The project reinforced a network of civil society organisations working in the monitoring of the conditions of detention in prisons, and provided funding for the rehabilitation of victims of torture. The project is now completed and its valuable work is being followed up as a component of the 2007 Rule of Law programme described below.



**Rule of Law:** In 2007 the EC provided funding for a €4 million Rule of Law and Justice programme to be implemented by UNDP and UNOPS. Strengthening the rule of law is a priority for the Government of Iraq and central to creating conditions for national reconciliation and reconstruction.

The programme provides technical assistance to several institutions of the highest importance to the rule of law sector. The programme also seeks to

improve the administrative procedures in a few chosen Model Courts, for later application to the other courts in the country. It also contributes to the development of the different Civil Society Organisations active in the field of human rights, particularly targeting physical and psychological rehabilitation of torture victims and the development of a prison monitoring network.

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#### Channelling of EC funds

Year	Reconstruction aid (managed by AIDCO & RELEX)						Humanitarian aid (managed by ECHO)		Total €M
	UNDG ITF		WB ITF		Bilateral		Bilateral		
	€M	%	€M	%	€M	%	€M	%	€M
2003	39,0	27%	3,0	2%		0%	100,0	70%	142,0
2004	95,0	54%	80,0	45%	1,5	1%		0%	176,5
2005	154,1	77%	40,0	20%	5,9	3%		0%	200,0
2006	187,5	94%		0%	12,5	6%		0%	200,0
2007	20,0	18%	20,0	18%	52,7	48%	17,8	16%	110,5
2008		0%		0%	74,1	79%	30,0	21%	104,1
<b>Total</b>	<b>495,6</b>	<b>60%</b>	<b>143,0</b>	<b>17%</b>	<b>146,7</b>	<b>9%</b>	<b>147,8</b>	<b>14%</b>	<b>933,1</b>

Figures in € millions

UNDG ITF: includes the UNDG Iraq Trust Fund and UNDP Thematic Trust Fund for Crisis Prevention and Recovery (in 2003)

WB ITF: World Bank Iraq Trust Fund

You can find more information on the EC support to Iraq in our website:

[http://ec.europa.eu/europeaid/where/gulf-region/country-cooperation/iraq/iraq\\_en.htm](http://ec.europa.eu/europeaid/where/gulf-region/country-cooperation/iraq/iraq_en.htm)