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Der Bundesminister für europäische
und internationale Angelegenheiten

Dr. Michael Spindelegger

Frau
Präsidentin des Nationalrates
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1017 Wien

zu 3804 /J

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Die Abgeordneten zum Nationalrat Dr. Johannes Hübner, Kolleginnen und Kollegen haben am 23. November 2009 unter der Zl. 3804/J-NR/2009 an mich eine schriftliche parlamentarische Anfrage betreffend „Verlust von EU- Geldern im Irak“ gerichtet.

Diese Anfrage beantworte ich wie folgt:

Zu den Fragen 1, 2 und 7:

Die Europäische Kommission unterstützt den Wiederaufbau des Irak seit 2003 und hat ihre Maßnahmen stets an die wechselnden Bedingungen im Land angepasst.

Alle Irak Programme werden im DCI (Development Cooperation Instrument) Ausschuss, in dem alle Mitgliedstaaten, so auch Österreich, vertreten sind, diskutiert und beurteilt. Die ordnungsgemäße Verwendung der Mittel ist für Österreich von außerordentlicher Wichtigkeit.

Die Wiederaufbauhilfe der EU für den Irak wurde vor allem über die „International Reconstruction Fund Facility for Iraq (IRFFI)“ abgewickelt. Diese Fazilität wurde bzw. wird von insgesamt 25 Gebern unterstützt. Die IRFFI besteht aus zwei Treuhandfonds, wobei einer von der Weltbank und der andere von UNDG (United Nations Development Group) administriert und implementiert wird. Beide Institutionen verwalten und administrieren die Fonds nach ihren Regeln und wenden die jeweils abgestimmten Kontrollmechanismen an. Beide Institutionen berichten den Gebern, darunter der EU, regelmäßig über die Verwendung der finanziellen Mittel.

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Beilage 1 und 2 (state of play vom April und Juli 2009) geben einen Überblick über die Aufteilung der EU Gelder auf verschiedene Sektoren und beschreiben Ergebnisse in einzelnen Bereichen. Die Förderungen im Irak wurden von Weltbank (WB) und UNDG nach Konsultationen mit den Projektpartnern in der Irakischen Regierung zugesprochen.

Zu Frage 3:

Die EU- Generaldirektion RELEX (External Relations Directorate General) formuliert die Strategie der Zusammenarbeit mit den Partnerländern. Die Formulierung von jährlichen Aktionsplänen (action fiches) und die Implementierung der EU Außenhilfsinstrumente erfolgt durch Europeaid. In diesem Fall wurden die finanziellen Mittel aus dem EU Außeninstrument DCI (Development Cooperation Instruments) und ECHO (Humanitäre Hilfsorganisation der EU) bereitgestellt. Bevor Länderstrategien oder Aktionsprogramme genehmigt werden können, müssen diese dem DCI Ausschuss, in dem alle EU Mitgliedstaaten vertreten sind, vorgelegt werden.

Zu den Fragen 4, 6, 8 und 9:

Die Implementierung der IRFFI unterliegt zunächst den jeweiligen Kontrollmechanismen von Weltbank und UNDG, den Gebern müssen in regelmäßigen Abständen Berichte vorgelegt werden.

Von den Gebern wurde darüber hinaus eine externe Evaluierung der IRFFI beauftragt, die von norwegischen Konsulenten (Scanteam) durchgeführt und bei der 8. Geberkonferenz im Februar 2009 in Neapel präsentiert wurde. Vor dem Hintergrund der sehr schwierigen Rahmenbedingungen im Bereich Sicherheit bewertete diese unabhängige, externe Evaluierung die Implementierung der Treuhandfonds positiv. Eine Zusammenfassung der Ergebnisse der Evaluierung findet sich in Beilage 3 (state of play vom Jänner 2009).

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Zu Frage 10:

Die Geber sowie die Regierung im Irak sind sich einig, dass sich die Rahmenbedingungen seit 2003 so weit verbessert haben, dass ein eigener Treuhandfonds nicht mehr nötig ist, da die Regierung zunehmend in der Lage ist, Programme zu entwerfen und Geberbeiträge zu koordinieren. Daher gab es seit Mitte 2009 keine neuen IRFFI Finanzierungszusagen mehr. Bestehende Projekte und vorhandene Finanzmittel werden aber selbstverständlich noch weiter von IRFFI abgewickelt und den Gebern darüber berichtet. Was die EU betrifft, wird dieser neuen Situation dadurch Rechnung getragen, dass beginnend mit 2009 ein größerer Schwerpunkt auf bilaterale Projekte entweder direkt mit der Regierung oder mit Entwicklungsorganisationen gelegt wird. Auch geht der beabsichtigte Finanzrahmen graduell zurück.

A handwritten signature in black ink, appearing to read 'Lindner', with a horizontal line underneath.



State of Play April 2009

Introduction

European Commission (EC) assistance to Iraq has progressively adapted, in line European Parliament (EP) recommendations, to the changing conditions in the country. The Commission is therefore shifting its interventions from contributions through the multi-donor trust fund established in 2004, to agreements with UN agencies, and gradually to bilateral agreements between the EC and the Government of Iraq (GoI). Indeed, in March 2009, the first direct bilateral agreement with the GoI was signed (*see point 5*). In terms of volume, EC assistance has decreased slightly in 2008 as compared to 2007.

As the GoI's most important need is in the area of capacity development for the correct and efficient management of Iraq's abundant financial resources, EC assistance will increasingly focus on this specific area (*see point 3*). In the meantime, IRFFI (International Reconstruction Fund Facility for Iraq) operations will be gradually phased out. As the International Community reflects on the evolving co-operation with Iraq, the IRFFI Donor Committee met in Naples in February 2009. This State of Play includes a short review of the main results of that meeting (*see point 2*).

The feature article of this State of Play is a presentation of the support delivered by the EC to the electoral process in Iraq (*see point 1*). As part of the Commission's efforts to enhance democracy in Iraq, significant EC assistance has been provided to election-related activities.

Finally, the State of Play provides an overview of EC assistance to Iraq since 2003 which, in light of the Commission Decision of 9 December 2008 on the 2008 Assistance Programme, amounts to €933 million (*see point 6*).

1. EC Support to the Electoral Process

Since 2004, support for the electoral process in Iraq has been a key focus for the Commission. The provincial elections, which took place in January 2009 in 14 of the 18 Governorates in Iraq, marked the start of an important cycle of elections and

referenda due to take place in Iraq during 2009 and early 2010.

The Commission has supported the electoral process in Iraq with a total amount of €83.8 million since 2004. Most of this was implemented through the UN arm of the IRFFI. The Commission's contribution was pooled with other donors' funds for the implementation of projects to support the GoI in ensuring that electoral operations are transparent and cost efficient. Assistance was also provided to the Independent High Electoral Commission (IHEC)¹ with a view to meeting international standards and best practices. Increasing education and awareness of election-related matters among the Iraqi electorate by working closely with civil society was also an important activity.

Support to the IHEC has been of significant value in building democracy in Iraq, given the crucial role played by the IHEC in ensuring the smooth functioning of elections and referenda and maximising voter participation.

EC funding in support of the electoral process, implemented via the IRFFI, led to enhanced technical capacity of the IHEC and its predecessor, the IECI (see footnote), notably in the 2004-2005 electoral operations. The EC provided important logistical and administrative expertise and material support to the IECI and UNAMI (UN Assistance Mission for Iraq), to make sure the 2005 elections were properly organised. This included support for the voter registration process in three electoral events in 2005, amongst other, support with procurement, logistics, security, electoral expertise and communications. Considerable efforts were also made to improve the

¹ The Independent High Electoral Commission (IHEC) is independent from the Government and subject to the oversight of the Iraqi Council of Representatives (CoR). The IHEC has exclusive responsibility for the organisation, implementation and supervision of the voter registration update and all upcoming elections and referenda. The IHEC was appointed in April 2007 to replace the Independent Electoral Commission of Iraq (IECI), the transitional election body responsible for conducting the 2004 and 2005 Iraq election events.



capacity at the institutional and staff member level, including through capacity-building training courses in a number of priority areas.

With regard to voters, support has led to increased knowledge and understanding of electoral systems among the Iraqi electorate, through a series of successful workshops and outreach campaigns with the assistance of civil society and the media. The Commission's contribution has also resulted in increased public participation in elections and enhanced capacity of electoral observer groups for the successful observation of electoral events.

A sizeable number of projects are making a considerable positive difference to the electoral process in Iraq, as illustrated by the following examples.

One project that sought to empower women and youth in the Iraqi electoral process, led to the training of 69 non-governmental organisations (NGOs)/civil society organisations (CSOs). These organisations in turn worked to promote, and increase, the participation and presence of women and youth in the Iraqi political process. These efforts sought to increase their free and open participation in the electoral process, and assist young men and women devise and lead 'advocacy strategies' to improve their position in the Iraq electoral process. Among other, the project resulted in the launch of a publicity campaign to promote the concept of gender balance in the electoral process, the drafting and distribution of an advisory guide on more effective participation in the electoral process for women and youth, and the training of 23 representatives in public outreach and preparation of advocacy strategies. 207 awareness sessions were organised for the public, attended by some 6,210 people who were informed of relevant major issues and encouraged to take part in the electoral process.

Another project contributed to an enhanced implementation of electoral processes in Iraq through the provision of electoral observation and media monitoring, training, and support to electoral observers.

Finally, another project focused specifically on the media, aimed at promoting professional election reporting through advocacy campaigns and the publication of an election guide, as well as at raising awareness to enhance access to public information and supporting efforts to promote safety of journalists. Three workshops were held on safety

training for journalists and 3000 copies of a media and elections handbook were translated, printed and distributed. A series of workshops were held for journalists and senior editors on analysis of election, democracy and role of the media. Key publications related to elections and principles of access to information and professional press freedom issues were translated into Arabic.

In addition to this substantial financial support, ahead of the provincial elections in 14 Iraqi Governorates earlier this year, the Commission made available expertise to support the IHEC in the coordination of election monitors and to act as a focal point for international observers. Two further experts were mobilised for one month of work in Baghdad, to monitor the provincial elections process. These experts provided strategic analysis and reporting on the ongoing electoral processes during, and after, the elections.

All of these efforts made a significant positive impact on the provincial elections of January 2009, in which over 14,000 candidates, of which almost 4,000 women, contested 444 seats.

2. IRFFI Donor Committee Meeting

The Eighth IRFFI Donor Committee Meeting took place in Naples in February 2009.

The donors welcomed the UNDG Iraq Trust Fund (UNDG ITF) and the World Bank Iraq Trust Fund (WB ITF) progress reports. The UNDG ITF total gross deposits currently (as of 31 December 2008) amount to US\$1.33 billion, with US\$1.22 billion approved and transferred for a total of 159 projects and joint programmes. Also as of 31 December 2008, the donors had deposited US\$ 494 million to the WB ITF. This Fund has financed 18 projects for US\$ 481.6 million, of which over 78% has been contracted and 45% disbursed on project expenditures.

The donor community expressed its appreciation for the finalisation of the IRFFI Multi-Donor Stocktaking Review conducted by Scanteam, Norway. This report provides an independent assessment of the appropriateness, efficiency and effectiveness of 17 projects of the IRFFI portfolio (4 projects from WB ITF and 13 from UNDG ITF). Scanteam's overall analysis concludes that the



IRFFI has made a positive contribution to recovery in Iraq. The report found that, despite the difficult security situation and poor field conditions, significant tangible results were achieved, contributing to improvement in the lives of the beneficiaries. Furthermore, the Multi-donor Trust Fund (MDTF) mechanism was found to offer a high level of transparency, accountability with a positive impact on the management of the risks of corruption.

The Donor Committee believes the lessons learned from the review should be applied to strengthening UN and World Bank coordination and donor oversight during the implementation of remaining IRFFI activities, and to future MDTFs. Several donors underlined the necessity of having independent audits and evaluations of all individual projects financed under IRFFI. The GoI and the donors agreed to maintain a system for coordinated programming aligning to the principles of the Paris Declaration.

Donors agreed the procedures for the closure of IRFFI which sets out cut-off dates for donors' contributions to the two Iraq Trust Funds: 31 December 2008 for WB ITF and 30 June 2009 for UNDG ITF. The WB and the UN agreed that no new projects would be approved beyond 31 December 2009. The donors agreed that the WB ITF will terminate on 31 December 2013, before which time all projects would be completed. The donors also agreed with the UNDG ITF proposal not to enter into any further contractual commitments after 31 December 2010.

Denmark was been appointed as the new Chair of the IRFFI Donor Committee.

3. EC Assistance for Iraq - 2009-2010 Programme

The Commission intends to define a two-year assistance programme for the period 2009-2010. For the period 2011-2013 a Country Strategy Paper will be prepared in accordance with established procedures. This illustrates the Commission's wish to position co-operation with Iraq on a regular track, based on a multi-annual strategy. The Commission is currently finalising plans for the 2009-2010 Programme which will then go through the formal decision-making process, requiring a positive

opinion of the EU Member States and consultation with the European Parliament before the final Commission Decision can be taken.

In line with EP recommendations, the 2009-2010 programme will focus on capacity building, based on the assumption that the GoI has now sufficient financial resources for infrastructure development and other needs. Parallel or co-financing by the GoI will thus be a positive factor for the success of the Commission's interventions.

Key priorities for the Commission's assistance in 2009 and 2010 will be Good Governance and support to the provision of basic services. Support to the development of civil society in Iraq is equally considered.

4. Humanitarian Assistance for Iraq in 2009

On May 15th the Commission announced a new EC decision for €20 million in support of humanitarian relief for Iraq. The priorities for that support, within Iraq, are expected to include, protection, water and sanitation, possibilities for quick impact emergency operations in other sectors, coordination, and support to non-Iraqi refugees inside Iraq. In neighbouring countries, mainly Syria and Jordan, assistance will focus on protection and registration, basic assistance such as food and non-food items, health and psychosocial support.

5. 2008 Assistance Programme - Commission signs its first bilateral Financing Agreement with Iraq Government

As reported in the January State of Play, last December the Commission approved the 2008 Special Measure for Iraq under the Development Cooperation Instrument (DCI); the financial envelope amounts to €72.6 million.

One of the eight programmes of the Iraq 2008 Special Measure is a programme of €10.6 million for Technical Assistance to Iraqi institutions. The Agreement for this Technical assistance programme was already signed in March by the Commission and the Government of Iraq. This is the first bilateral programme between the EC and the GoI and the



implementation is foreseen to start at the end of 2009.

The overall objective of this 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 specific Iraqi institutions such as the Council of Representatives, the Higher Institute of the Ministry of Interior and several Iraqi ministries.

The aims of the 2008 Assistance Programme are to strengthen the capacity of Iraqi institutions, and to improve the quality of life of the population. As set out in the January 2009 State of Play the other seven programmes are:

1. Support to specialised medical services (€13 million) - to improve the functioning of the national and regional blood bank services and emergency medical services.

2. Enhanced and sustained water and sanitation services in Iraq (€7 million) - to enhance services and increase Government capacity to better manage the water and sanitation sectors.

Five programmes in support of Iraq's displaced

An amount of €42 million has been allocated to five programmes in support of refugees in neighbouring countries and IDPs (Internally Displaced People):

3. Support to the return and reintegration of returnees and IDPs within Iraq (€6 million) - to create a protective environment for returnees and IDPs in Iraq, and facilitate their search for durable solutions.

The EC will continue to support neighbouring countries Syria and Jordan in coping with Iraqi refugees, focusing again on the provision of basic services. The aim of EC support in both countries is to strengthen existing structures without recourse to the creation of parallel structures.

4. Water loss reduction programme in Zarqa, Jordan (€12 million) - to assist in managing scarce water resources in the region of Zarqa, where there is a large concentration of Iraqi refugees.

5. Emergency support to Syrian education sector (€10 million) - to support the Syrian public authorities in coping with the financial and physical

strain caused in the education sector by the large influx of Iraqi refugees.

6. EC support II to education in Syria (€4 million) - contribute to expanding the absorption capacity and improving the quality of primary and secondary education for Iraqi and Syrian children in Syria.

7. Support to Syria's solid waste and medical waste management (€10 million) - to provide critical equipment and support to improve solid waste and medical waste management services in response to the rapidly increasing demand in areas where there is a high concentration of Iraqi refugees.

Apart from the Special Measure for Iraq detailed above, a proposal financed by the European Instrument for Democracy and Human Rights (EIDHR) was approved in December 2008 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.

6. Background Overview of EC Support 2003- 2007

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 managed by EuropeAid and RELEX, and humanitarian assistance, managed by ECHO. 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	42.0	100.0	142.0
2004	162.5	14.0	176.5	-	176.5
2005	200.0	-	200.0	-	200.0
2006	200.0	-	200.0	-	200.0
2007	89.7	3.0	92.7	17.8	110.5
2008	72.6	1.5	74.1	30.0	104.1
Total	758.8	26.5	785.3	147.8	933.1

**All figures in € million.*

AIDCO: EuropeAid Cooperation Office

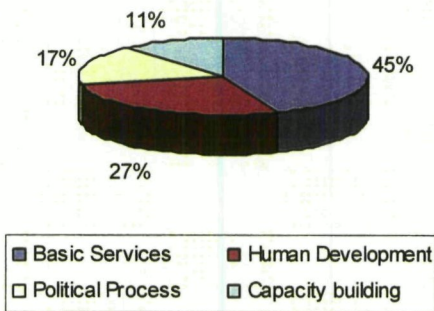
RELEX: External Relations Directorate-General

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.

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.

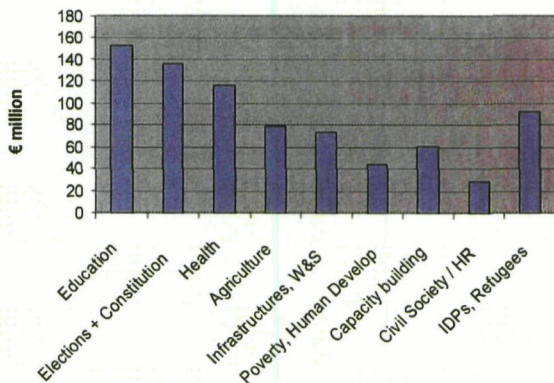
Channelling funds through the IRFFI has had considerable advantages in a period where reconstruction work in Iraq was extremely difficult. It has allowed the International community combine their efforts through a common strategy and action channel. Working through the IRFFI has enabled the EC to acquire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

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

A total of 25 donors have 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) or 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 last month 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.

EC Total Aid per Sector*



* excluding Humanitarian Aid, managed by ECHO.

To enhance aid effectiveness, sustainability and Iraqi ownership, programming for EC Assistance to Iraq is in line with the objectives of the International

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:



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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 €14 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 (e.g. Iraqi Bar Association, Judicial Training Institute, Ministry of Justice). 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.

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
Total	495,6	60%	143,0	17%	146,7	9%	147,8	14%	933,1

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



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 22nd 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 €933 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 IRFFI¹. 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

¹ 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 €117 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.

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

On July 22nd 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.

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

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

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

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	42.0	100.0	142.0
2004	162.5	14.0	176.5	-	176.5
2005	200.0	-	200.0	-	200.0
2006	200.0	-	200.0	-	200.0
2007	89.7	3.0	92.7	17.8	110.5
2008	72.6	1.5	74.1	30.0	104.1
Total	758.8	26.5	785.3	147.8	933.1

**All figures in € million.*

AIDCO: EuropeAid Cooperation Office

RELEX: External Relations Directorate-General

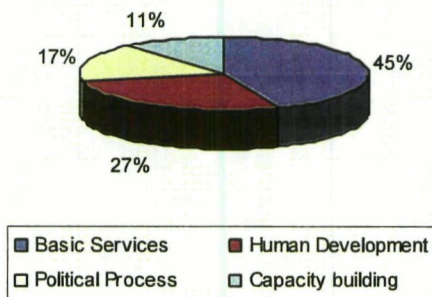
ECHO: Humanitarian Aid Directorate-General

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



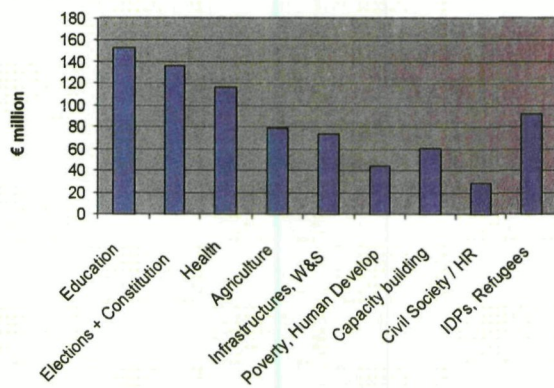
Basic Services: Education, Health, Infrastructure, Water & Sanitation.

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 €14 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.

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
Total	495,6	60%	143,0	17%	146,7	9%	147,8	14%	933,1

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



State of Play January 2009

Introduction

The feature article of this State-of-Play of the Commission's co-operation programme with Iraq is a summary of the external evaluation of the International Reconstruction Fund Facility for Iraq (IRFFI). This edition of the State of Play also sets out the elections and referenda scheduled to take place in 2009 in Iraq. As part of EC efforts to enhance democracy in Iraq, significant EC assistance has been provided to election-related activities. Information is also given on the final reports of the EuropeAid verification missions, which were carried out on UN programmes in Iraq. Furthermore, additional details are provided on the 2008 Assistance Programme, now under implementation. Lastly, an updated overview is presented of the €933.1 million support package provided by the Commission since 2003.

The review found that the IRFFI was set up in a timely manner and "made significant achievements during its start up phase". It was "an effective mechanism for mobilising both financial resources and broad-based international support for recovery". The two IRFFI windows (UNDG ITF and WB ITF) were quickly operational as they were able to draw on existing programme and administrative systems.

The review also notes that the IRFFI has faced unprecedented and unanticipated challenges. Confronted with a high intensity conflict and extreme security conditions, the IRFFI was faced with a country which had, in addition, accumulated two decades of violence and sanctions. Project implementation and coordination between the UNDG ITF and the WB ITF were greatly affected by this particularly challenging environment. In this difficult context, without the IRFFI, many donors would have been prevented from assisting in the reconstruction effort, due to the high operational risk, high transaction costs, limited capacity, knowledge and experience in the country.

1. IRFFI: Multi Donor Stocktaking Review

The IRFFI Donor Committee launched an external evaluation (Multi-Donor Stocktaking review) of the IRFFI in order to assess the quality, and impact, of the extensive work undertaken so far by the Multi-Donor Trust Fund for Iraq.

This independent review was carried out in 2008, by a Norwegian consultancy, Scanteam. The methodology focused on the performance of individual IRFFI projects, where a representative sampling of 17 projects was chosen from the IRFFI portfolio, four from the World Bank ITF and 13 from the UNDG ITF. The projects chosen for this sample comprise approximately 30% of the IRFFI portfolio in value and 10% in number, and include a cross-section of the different sectors where the IRFFI has been active.

Projects were assessed according to international standards and using OECD Development Assistance Committee (DAC) performance indicators for efficiency, effectiveness, value-for-money and national ownership. A field study conducted by independent consultants, together with document reviews and stakeholder interviews, formed the basis of the research.

The review showed that most of the 17 projects made "a real and meaningful impact on the lives of beneficiaries". The IRFFI displayed a "high activity level despite poor field conditions", "broad and complementary portfolios", "effective support to capacity development in Iraqi institutions" and "a high level of transparency and risk reduction". "The delivery of tangible physical goods" contributed to normalising conditions and improving the lives of beneficiaries, notably in the sectors of education (construction and rehabilitation of schools), healthcare and infrastructure projects.

However, while the level of transparency was good, the completion of the majority of IRFFI projects was delayed, and all projects reviewed underwent a change to their objectives, including sometimes a reduction in scope. This was partly due to difficult field conditions but, in a few cases, also to deficiencies in planning.

Despite the significant amount of narrative information made available by IRFFI administrators, the review notes that reporting was "focused on the technical dimension of activities and outputs". The reports did not include a critical analysis of project implementation and the information was "not readily



accessible to stakeholders as knowledge about the situation" or about "IRFFI performance". The review also points out that some information sources, like the IRFFI website, which provide a substantial amount of information, were not sufficiently used by donors.

The Government of Iraq (GoI) was not in a position to fully exercise ownership of the IRFFI, due to its own limitations. However, there was evidence that the IRFFI served as a strong point of engagement between the International Community, the GoI and the Iraqi people.

In conclusion, the evaluators note that in a high risk situation, in which direct programming and implementation was physically difficult for most donors, the IRFFI was a pragmatic response and provided a platform for dialogue, collaboration and for shifting the focus of international efforts to the recovery and reconstruction of the country, with positive results for a large majority of the projects.

2. Elections & referenda in 2009

This year is marked by an impressive number of elections and referenda set to take place in Iraq. The following is a list of those elections and referenda foreseen in 2009 and 2010:

- Provincial elections (14 Governorates): 31/01/09
- Municipal elections (constitutionally, within 6 months of provincial elections)
- Kurdistan: Regional, Provincial (3 Governorates) and Municipal elections
- SOFA (Status of Forces Agreement with international forces) referendum - July 2009
- National Legislative elections – probably in December 2009 / January 2010

Further elections/referenda are also possible:

- Referendum on the status of Kirkuk
- Provincial elections in Kirkuk governorate
- Referendum on Constitutional amendments
- Referendum on Kurdistan Constitution
- Referendum on the status of Basra and / or other southern governorates.

3. EC Verification Missions

During 2007, the EC undertook eight verification missions to UN Headquarters in order to assess the management of EC-funded programmes in Iraq. Five of these missions concern the UNDG ITF, and three the UNDP Thematic Trust Fund (UNDG TTF) for Crisis Prevention and Recovery, to which the EC contributed in 2003. The final reports of findings of the verification missions are now available. This enables the EC to acquire a better understanding of the organisation's system of accountability and the adequacy of information supporting the implementation of the projects.

In relation to the UNDP TTF, the missions identified a small number of points. These include revisions of the contractual reporting format of projects without prior consultation with the Commission. The verification missions also recalled that bank interest received by UN agencies must, under all circumstances, be reported to the Commission.

As regards the verification missions focused on five UNDG ITF programmes, no relevant findings were raised for these programmes. The mission raised the issue of the reporting system in Multi-Donor Trust Funds, where one UN agency takes the lead in overall project management but actual project implementation is carried out by 'sister' UN agencies. In such cases, improved reporting by UN implementing agencies is necessary. The mission recommends that all implementing agencies should include systematic checks of their own reports before submitting them to the lead agency. Thereafter, either the lead agency should carry out sample checks on the reports provided, or donors should be informed that no such checks have been performed and that the full responsibility relies on the implementing agency.

The EC also visited World Bank Headquarters to verify the management of World Bank ITF programmes in Iraq in 2007. These missions drew positive conclusions, in particular confirming that the systems of financial accountability and traceability put in place by the WB are adequate. In addition to these verification missions, the WB Iraq Trust Fund was also audited by external auditors from 2004 to 2007, all of them without any relevant findings.



4. Assistance Programme for 2008 under DCI

The Special Measure for Iraq in 2008 under the Development Cooperation Instrument (DCI), amounting to **€72.6 million**, was approved by the Commission in December last. Given the improved security situation in Iraq and the decision of the Donor Committee to gradually wind down IRFFI's operations, the EC is now gradually shifting to more bilateral cooperation.

The **overall objectives** of the assistance package are to strengthen the capacity of Iraqi institutions, and to improve the quality of life of the population.

These objectives are in support of the priorities put forward by the Government of Iraq and its international partners. Given the importance of oil revenues, Iraq now possesses considerable financial resources of its own. Most Iraqi institutions, however, still have limited management capacities and lack the structures to implement their investment programmes. Building the capacity of Iraqi institutions is, therefore, a key priority of present international cooperation, including EC support.

The Iraq 2008 Special Measure **comprises eight programmes**. These are:

1. Technical Assistance to Iraqi institutions

The overall objective of this 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. With a budget of €10.6 million this programme will provide technical assistance to specific Iraqi institutions such as the Council of Representatives and the Higher Institute of the Ministry of Interior. This will be the first bilateral project between the EC and the Government of Iraq and is foreseen to start its implementation at the end of 2009.

2. Support to specialised medical services

This programme, to be implemented by the WHO in close collaboration with the Iraqi Ministry of Health, has an envelope of €13 million. It 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. Support will also be provided to Emergency Medical Services in improving pre-hospital services, such as ambulance

care, and in-hospital emergency services and long-term care and mental health support.

3. Enhanced and sustained water and sanitation services in Iraq

This intervention, to be implemented by UNICEF, will contribute to enhanced services and increased Government capacity to better manage the water and sanitation sectors. Specific objectives include the improvement of access to water in rural areas, the improvement of wastewater treatment systems in crowded agglomerations, and the improvement of planning capacities at governorate level. The programme has a proposed budget of €7 million.

Five programmes in support of Iraq's displaced

Up to 5 million Iraqi refugees and IDPs (Internally Displaced Persons) are estimated to be currently displaced from their homes. This figure includes over 2 million refugees, most of whom have fled to neighbouring Syria and Jordan, and about 2.8 million IDPs within Iraq.

The Commission has prepared a report detailing the EC's intervention in support of Iraq's refugees and IDPs. This report is now available at EuropeAid Iraq website: http://ec.europa.eu/europeaid/where/gulf-region/country-cooperation/iraq/iraq_en.htm

As part of the 2008 Assistant Programme, an amount of €42 million is set aside in support of refugees and IDPs. It concerns five programmes:

4. Support to the return and reintegration of returnees and IDPs within Iraq

With an allocation of €6 million, this programme, to be implemented by UNHCR, aims to create a protective environment for returnees and IDPs in Iraq, and facilitate their search for durable solutions. The programme will focus on: the provision of safe and adequate minimum standard of accommodation to vulnerable returnees and IDP families; ensuring returnees, IDPs and community members have access to a sustainable supply of safe drinking water and sanitation facilities; and addressing protection needs of IDPs and returnees through Protection and Assistance Centres and mobile teams.

The large influx of refugees in Syria and Jordan has placed a considerable strain on the economy and infrastructure of these neighbouring countries. The EC will continue to support Syria and Jordan in coping with Iraqi refugees, focusing again on the provision of basic services. The aim of EC support in both countries is to strengthen existing structures



in the host countries without recourse to the creation of parallel structures.

5. Water loss reduction programme in Zarqa, Jordan. This programme, with a budget of €12 million, will be implemented through a financing agreement between the EC and the Jordanian authorities. It will help Jordan to manage scarce water resources in the region of Zarqa, where there is a large concentration of Iraqi refugees. This should contribute to efficient and demand-driven sustainable management of existing water resources in the Zarqa area. Emphasis will be given to infrastructure rehabilitation that reduces water losses in the network.

6. Emergency support to Syrian education sector

This programme has an envelope of €10 million and will be implemented according to a financing agreement between the EC and the Syrian authorities. It will support 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 programme will help the Government in facing the increased salary cost of education staff in schools with a high concentration of Iraqi children.

7. EC support II to education in Syria

With a budget of €4 million, this programme, to be implemented by UNICEF, will contribute to expanding the absorption capacity and improving the quality of primary and secondary education for Iraqi and Syrian children in Syria. The programme aims also to increase the enrolment of Iraqi refugee children and to promote learning opportunities for out of school children. This is the second phase of a programme funded by the EC.

8. Support to Syria's solid waste and medical waste management

This programme has a budget of €10 million and will be implemented through a financing agreement between the EC and the Syrian authorities. It will provide critical equipment and support to improve solid waste and medical waste management services in response to the rapidly increasing demand in areas where there is a high concentration of Iraqi refugees. Support will also go to the training of municipal and medical facilities' staff in waste management.

Apart from the Special Measure for Iraq detailed above, a proposal financed by the European Instrument for Democracy and Human Rights (EIDHR) was also approved in December and will

be implemented in Iraq from 2009 onwards. This project aims at: building the capacity of Iraqi civil society organisations; and improving the awareness of, and enhancing the respect for, human rights.

5. Background overview of EC support 2003- 2007

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 managed by EuropeAid and RELEX, and humanitarian assistance, managed by ECHO. All assistance was given in the form of grants.

Table 1: EC support to Iraq

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*All figures in € million.

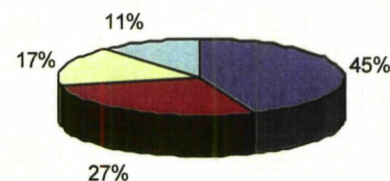
AIDCO: EuropeAid Cooperation Office

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	■ Human Development
□ Political Process	□ Capacity building



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.

increasing capacity for dialogue and leadership of the Government of Iraq in the reconstruction efforts. At the 7th IRRFI Donor committee meeting in July 2008, donors agreed to a cut-off date for further contributions to the IRFFI by the end of 2009. This is in line with the current IRFFI mandate, which runs until the end of 2010.

A total of **25 donors** have contributed to the IRFFI, for a total of US\$ 1 834.6 million as of end of June 2008. 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) or 42.05% of all commitments to the IRFFI.

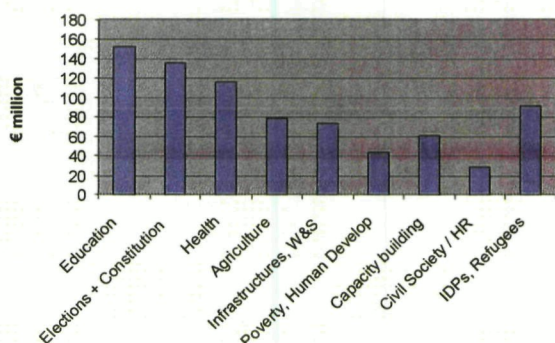
In addition to the multilateral aid channelled through the IRFFI, a number of bilateral actions have been undertaken to-date. These include among others:

Human Rights - €2.6 million: In 2005 a project was agreed with UNDP 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 €14 million Rule of Law and Justice programme to be implemented by UNDP. 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 (e.g. Iraqi Bar Association, Judicial Training Institute, Ministry of Justice). The programme will also seek 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.

EC Total Aid per Sector*



* excluding Humanitarian Aid, managed by ECHO.

To enhance aid effectiveness, sustainability and Iraqi ownership, programming for 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 **United Nations Development Group Iraq Trust Fund (UNDG ITF)** and the **World Bank Iraq Trust Fund (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 combine their efforts through a common strategy and action channel. Working through the IRFFI has enabled the EC to acquire knowledge which is invaluable for future EC activities in Iraq.

From 2007 onwards, this approach is being replaced by more bilateral actions, in recognition of the



Channeling 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
Total	495,6	60%	143,0	17%	146,7	9%	147,8	14%	933,1

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

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