

## **CAPACITY BUILDING PROGRAMME FOR IRAQ 2009-2010**

### **1. INTRODUCTION**

After several years of extreme violence, Iraq is now experiencing some fragile stability. Even though the political and security gains are not irreversible, the Iraqi state has entered the transitional period from emergency to development. Iraq has a rich and diverse resource base which can pave the way to sustainable growth. The policy framework guiding the formulation of strategic priorities for a smooth transition from emergency to sustainable recovery is spelled out in a series of initiatives such as National Development Strategy 2005-2007 (NDS) and the International Compact with Iraq (ICI). Results from past and ongoing reform efforts remain far from meeting the needs and expectations of the Iraqi people. The Iraqi rule of law system is still in a poor state and access to basic services continues to be severely limited. Recent improvements in the areas of education and health services have not yet translated into significant welfare gains on the part of the people of Iraq. On the other hand Iraq is clearly not the typical aid-dependent post-conflict country. The main challenge for the country is to mobilize and effectively use its own vast resources to improve the welfare of the Iraqi people and rebuild its infrastructure. The main role for the international community, including the European Commission (EC), is therefore to help Iraq use its own resources more effectively.

The European Commission's intention is to position its cooperation with Iraq on a regular track, moving from the post conflict phase and yearly planning to regular development assistance based on a multi-annual strategy. Therefore this Information Note intends to present the 2009 and 2010 programmes for Iraq as a two-year assistance package. During this transitional period, the Special Measure provision under Art. 23 of the DCI Regulation<sup>1</sup> will continue to be used. This programme derives from discussions and consultations with the government held in the last months. As from 2011, the EC intends to switch to a more regular programming of the funds allocation, based on a Country Strategy Paper and Multi-Annual Indicative Programme as foreseen in the same Regulation, which the EC should be able to prepare for the period 2011-2013.

Another sign of reinforcement of EU-Iraq relations which runs in parallel to the multiannual programming is the ongoing negotiation of a Partnership and Cooperation Agreement, which will provide the first ever contractual framework agreement between the EU and Iraq. It will serve as the platform for strengthening EU relations with Iraq in a wide range of political, economic and social sectors. It is hoped that this agreement can be signed in the course of 2009.

EC support to Iraq from 2003 to the end of 2008 amounted to €33.1 million in grants. This includes reconstruction and humanitarian assistance. All assistance was given in the form of grants. From 2004 to 2006 the EC support has principally been channeled through the IRFFI – the International Reconstruction Fund Facility for Iraq, a multilateral mechanism established in 2004 to help channeling international assistance to Iraq. Given the improved security situation in Iraq and the winding down of IRFFI's operations, as from 2007 the EC has gradually shifted to more bilateral cooperation in recognition of the increasing capacity for dialogue and leadership of the Government of Iraq (GoI) in the reconstruction efforts. The year 2008 was the first where all allocations have been channeled either on a purely bilateral basis or through joint management with an international organisation.

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<sup>1</sup> Regulation (EC) No 1905/2006 of 18/12/2006.

## 2. PRIORITIES OF THE 2009-2010 PROGRAMME

**Two main areas:** i) institutional building in the area of good governance; ii) basic services

**Cross-cutting issues:** protection & promotion of human rights, notably those of women and populations at risk; children and youth

In order to capitalise on the relative success of the 2009 provincial elections, further support for the improvement of the political and constitutional process is required. Similarly, support for the reform of the public administration to increase transparency, accountability and sound management is needed. The long list of challenges includes i.a. reforming and modernising the public service, developing the structures of the government, enhancing intra- and inter-institutional work processes, and strengthening human resource capacities on both governmental and non-governmental levels in order to improve delivery of services to the Iraqi people.

Efficient public administration with strategic policies and high implementation indicators is a key to effective delivery of services. The integrated assistance package to Iraq for the period of 2009-2010 is linked to Iraqi sectoral reforms and aims at strengthening the Iraqi institutions in both planning and execution capacities across all government and non-government levels, including local authorities and civil society.

In order to effectively identify the key areas of the EC intervention two missions to Iraq were carried out in the period August-November 2008, adding to the close contacts maintained with Iraqi institutions by the EC Delegation in Baghdad.

Since Iraq does not lack financial resources, community assistance will be based on the best European experience in quality capacity and institution building. Large infrastructure projects should remain an Iraqi responsibility. These components, together with the Iraqi willingness to actively participate in and co-finance European projects, should help Iraq gain full responsibility for, and ownership of, sustainable development programmes.

The 2009-2010 Programme will complement past and current EC/EU operations, including EUJUST LEX, and assistance provided by other donors. It builds upon results and lessons learned so far. The areas concerned are: i) good governance; and ii) basic services; with cross-cutting issues like human rights, gender balance and child protection taken into account.

Iraq's needs are very extensive. It is clearly impossible to encompass all the areas where international support would be needed. Nevertheless, the European Commission's intention is to treat the above mentioned priorities in a comprehensive and holistic way so that the Programme has a coherent and integrated base. Therefore projects in the areas of good governance and basic services should be interrelated, with special emphasis on vulnerable groups such as IDPs, refugees and returnees, in particular women and children.

Given the acute refugee crisis in Iraq, almost €145 m of Community funds have been devoted to IDPs and refugees since 2006. In 2008 Iraq passed a political message to the international community that the most urgent need with regard to the refugees and IDPs as from 2009 onwards would be to prepare the ground for returns. The main challenge will thus be to improve conditions in Iraq to be more conducive for their return as well as to support the neighbouring countries such as Syria and Jordan in helping refugees to come back home. The political message to promote

further returns of Iraqi refugees has been clearly expressed by the Iraq's discussions with the international community, from the EU to the Arab League. Therefore the EC focus in 2009/2010 will be on helping Iraq create a favourable environment to enable return. The needs of the displaced will be also integrated in actions covering all sectors.

As in previous years the programmes will be implemented throughout Iraq.

For the period of 2009-2010 European Commission's **budget to development cooperation** with Iraq amounts to **€55.8 million**: €42 million for 2009 and €13.8 million for 2010.

### **3. TARGETED SECTORS**

The proposals presented below indicate the sectoral focus of Community funding. The concrete projects will be identified in a second stage and will be adapted to the circumstances on the ground.

The selection of areas for EC support was based on expressions of demands raised by the Iraqi side during the consultations held in 2008.

#### **3.1. Good governance – (€20-22 million)**

##### **3.1.1. Further support to the Political Process and Rule of Law/Human Rights**

The year 2009 is marked by an impressive number of elections and referenda set to take place in Iraq. Since 2004 EC has played a crucial role in supporting Iraqi political process, rule of law and elections. The provincial elections<sup>2</sup> have started an important elections cycle in Iraq during 2009 and 2010. The EC will therefore continue its strong involvement in the electoral and constitutional processes as a natural follow up to the previous Community support in this area. The future EC programme would also complement the ongoing EC rule of law projects, especially in the area of human rights and legal education. The 2009/2010 good governance programme would meet the Iraqi principles of national ownership, participation, information sharing and strategic communication. It should also create an opportunity to build on past successes and fill a vacuum which could be left after the withdrawal of coalition forces.

The programme would focus on: i) continuation of EC assistance to the Political and Constitutional Review Process, elections, and the Rule of Law; ii) technical assistance to the newly established Independent High Commission for Human Rights (specific and advanced capacity building programmes are urgently required by the IHCHR), whose biggest role is to monitor, provide oversight and to promote and protect human rights; iii) technical assistance to modernise and update legal education at university level in law faculties (domestic and international factors have negatively affected Iraqi legal education. Iraq needs both to build up an overarching rule of law strategy and to reform its legal system - including legal education provided by universities and law colleges).

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<sup>2</sup> In January 2009 EC deployed two electoral experts and one coordinator to Baghdad to monitor the Provincial Elections and to help the Iraqi High Electoral Commission to coordinate election 'monitors'.

### 3.1.2. Fostering a culture of civil society

Iraqi Civil Society Organisations (CSOs), which are emerging actively, can play a constructive role to foster national reconciliation, contribute to peace and security and help hold the government to account. A progressive Iraq, underpinned by the rule of law, requires a strong and robust civil society which articulates the concerns of Iraqi citizens, mostly related to development (basic services delivery) and governance issues. More bridges need to be built between civil society and Iraqi institutions.

The aim of the programme would be to facilitate the development of a national NGOs network and support the implementation of the new NGO law which is currently under discussion in the Parliament.

## 3.2. Capacity building of the Iraqi institutions dealing with delivery of basic services - (€43.8 million)

### 3.2.1. Education

Among many concerns confronting Iraq's children, declining access to education and quality learning caused by the long-lasting conflict has become alarming. Today's objective is not only to enhance access to all levels of learning but also to remedy the psycho-social impact of the conflict-era, in which education has a clear role. School attendance rates are considerably low, far below the 2006 MICS 3 indicator of 85.8%<sup>3</sup>. The Ministry of Education reported that only 28% of the final year students sat their secondary school exams in 2007. During the 2006/2007 school year violence resulted in sporadic school closures and a large-scale exodus of teaching staff. Children suffered from both the security threats as well as the inability of the school facilities to absorb them.

The EC intervention shall focus on technical support and training to strengthen education policy and systems development as well as revision and improvement of curricula, in order to meet international standards. Strengthening the quality of learning<sup>4</sup> with special focus on vocational training and methodology would be also taken into account. Other needs are related to enhancing access to all levels of education with particular focus in the reintegration of vulnerable groups (IDPs, refugees, returnees, especially girls) at pre-school, primary and secondary stages of education.

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<sup>3</sup> The Multiple Indicator Cluster Survey (MICS) programme developed by UNICEF assists countries in filling data gaps for monitoring the situation of children and women through statistically sound, internationally comparable estimates of socioeconomic and health indicators. The household survey programme is the largest source of statistical information on children in Iraq.

<sup>4</sup> The **quality of the education system** is jeopardized by the displacement of large numbers of professionally qualified teachers, many of whom have left the country or been killed in targeted attacks. The current teaching force is suffering from lack of training as well as obsolete curricula and teaching methodologies.

### 3.2.2. Health

After years of sanctions and more significantly since 2003, the Iraqi health system has steadily deteriorated. Iraqis today lack many of the most essential health services. Another problem is the lack of qualified and experienced medical staff. Medical doctors, surgeons and nurses have been subjected to threats. This has led many to leave the country. Apart from the fact that access and utilization is still greatly affected by security, there is a big gap in concrete long-term planning and strategies that address many of the challenges facing the health sector in Iraq. In October 2008 the GoI revitalized its commitment towards Primary Health Care as essential for health sector reform. It includes *inter alia* introduction of the Basic Health Service Package and improvement of health conditions at schools.

The EC focus would therefore be on strengthening institutional and human capacity of the Health Sector to deliver quality health services. It would include support to the reform of the primary health service system as well as medical staff training. Improvement of health conditions/education in schools would also be taken into account. Again vulnerable groups such as children and women, victims of violence, IDPs/returnees would be of particular interest especially with regard to access to medical services.

### 3.2.3. Migration and Displacement

After several years of extreme violence, Iraq is now experiencing some fragile stability. Violence has decreased, food security has improved and the trend of displacement has been replaced by still slow but growing movement of returns of IDPs and refugees. According to the latest UNHCR statistics, of an estimated 5 million displaced inside and outside Iraq, around 1 million returned in the years 2003-2008, more than 220,000 in 2008 alone.

The EC focus in 2009/2010 with regard to IDPs and refugees will be on helping Iraqi authorities create a conducive climate for safe, voluntary and dignified return of refugees as well as to contribute to sustained support and protection of IDPs. Helping joint efforts between Iraq, Syria and Jordan in organising the return would be also a component of the programme.

The programme would complement the current EC support to refugees/IDPs which amounted to more than €40 million (reconstruction and humanitarian) since 2006. The implementation of the 2007/2008 Programmes will be followed throughout the years 2009/2010.

In addition to this, in 2009/2010 there will be continued humanitarian assistance provided by ECHO (around €20 million foreseen) as well as the DCI thematic budget line support under the Annual Action Programme for Migration/Asylum 2009 (€ 2.8m for Syria, Jordan, Egypt and Lebanon).

#### **4. FURTHER POSSIBILITIES**

If the security situation further improves and Iraq continues to be on the track towards sustainable development gains, future actions of Community assistance will be based on a Country Strategy Paper and National Indicative Programme. The proposals would therefore take a broader approach into account, possibly including the following areas: i) agricultural and environmental sector; ii), development of leadership and entrepreneurialism among young people; iii) technical assistance in the renewable energy field.

#### **5. OTHER INSTRUMENTS**

The DCI 2009-2010 Assistance Package described above will be complemented by ECHO funds (approximately €20m are foreseen for the moment for 2009). In addition, Iraq is eligible to a large number of other instruments available during the next two years, such as the European Instrument for Democracy and Human Rights, the Instrument for Stability and most of the DCI thematic budget lines (Migration/Asylum, Investing in People, Non State Actors and Local Authorities in Development).

#### **6 IMPLEMENTATION METHODS**

With the winding down of the IRFFI and the slowly improving situation in the country, the EC is seeking to shift to bilateral methods of delivering assistance. The EC assistance to Iraq in 2009 and 2010 will be in principle implemented through bilateral channels. Taking into account the complexities of managing projects in Iraq, different methods of aid delivery, including co-financing with Member States will be considered. Finally and for the very first time, a small part of the assistance to Iraq under the DCI instrument will be implemented through Iraqi or international Non-State Actors. Due to the security situation, free movement of NGOs inside the country is still very limited, but hopefully this first support will contribute to an increased role for these organisations in the delivery of assistance in Iraq.