



Quarterly Progress Report

July-September 2021

Introduction

This report provides an overview of activities funded by the Ministry of Defence (MoD) for the Netherlands. The United Nations Development Programme (UNDP) implements activities under this agreement through the Funding Facility for Stabilization (FFS). These activities aim to support the return of vibrant economic activity to Hawija, thereby encouraging returns and providing much needed source of local employment. The report includes a progress update on activities undertaken during the reporting period (July to September 2021) and a financial overview.

Financial Summary

The UNDP financial management system does not separately track funds received through multiple cost-sharing agreements signed with one donor. As such, the table below provides an interim financial overview. The information shared in this interim financial overview is based on project planning and offline monitoring against this specific contribution agreement.

Budgets for planned or ongoing individual projects are indicative, as changes may arise due to the scale or complexity of the project. Only upon the completion of each project and the release of all payments is the project's final cost confirmed.

The following is an informal overview of the financial utilisation at the end of the reporting period:

Contribution (US\$)	Disbursed (US\$)	Received (US\$)	Committed/Spent (US\$)
1,757,546.19	0.00	0.00	0.00

Programme Context

The **coronavirus disease (COVID-19) global pandemic** continued to present public health and socio-economic challenges during the reporting period (15 July to 30 September 2021). By 30 September, a total of 2,003,303 COVID-19 infections, resulting in the death of 22,260 people, had been confirmed by Iraqi health authorities.¹ Following the delivery of two rounds of vaccination doses through the COVID-19 Vaccines Global Access (COVAX) Facility during the first half of 2021, Iraq received an additional 500,000 doses in August and 100,800 doses in September bringing the total number of vaccines provided by the Facility to 1.7 million. Even though cases had reached record levels in late July and early August, infection rates continued to decline until the end of September. While UNDP field operations fully resumed in mid-2020, the speed of implementation continues to be affected by preventive measures and persisting logistical bottlenecks.

To drive forward the Government of Iraq (GOI) *White Paper for Economic Reform*, aimed at addressing the budget deficit, Prime Minister Mustafa Al-Kadhimi chaired a meeting of the Higher Committee for Reform in early August announcing the begin of implementation of administrative and executive mechanisms. The Prime Minister further emphasized the government's commitment to creating a suitable environment for the implementation of the White Paper.² Preparations for the **legislative elections** in October 2021 were a key focus during the reporting period including meetings between the Supreme Electoral Security Committee, the Chair of the Independent High Electoral and governorate electoral officials to discuss ongoing preparations. The higher committee to promote and monitor women's electoral participation continued its work around monitoring, capacity building and advocacy.³

Attacks against diplomatic missions and convoys in Iraq and against the **civilian population and infrastructure** continued and remain a serious concern. In response, Iraqi security forces continued their counterterrorism operations. Considering the upcoming elections, the security situation in Iraq is likely to remain volatile.⁴

According to the latest available data from the International Organization for Migration (IOM), 4,939,074 displaced Iraqis had returned to their area of origin by the end of September. This represents a minor increase of 72,024 people since the previous quarter — one of the **lowest return rates since tracking began in 2015**. This may be partially attributable to the closure and consolidation of camps that mainly took place between September and December 2020 and the subsequent increase in returns during that time. The low return rate may also be related to movement restrictions imposed across Iraq from mid-February 2021, in response to growing COVID-19 case numbers. Iraq's 1.18 million internally displaced persons (IDPs), hosted predominantly in Ninewa, Dohuk and Erbil, continue to face challenges to return to their places of origin.⁵

The following sections detail achievements, challenges and lessons learned during the reporting period.

¹ World Health Organization (WHO), COVID-19 Iraq Portal, <https://covid19.who.int/region/emro/country/iq>

² <https://gds.gov.iq/the-prime-minister-we-are-working-to-create-a-suitable-atmosphere-for-the-implementation-of-the-white-paper/>

³ S/2021/700

⁴ Ibid.

⁵ <http://iraqdtm.iom.int/>

Progress Update

Located just south of the Industrial Zone, the Hawija Substation serves southern Hawija and the Industrial Zone with electricity. However, the structure was heavily damaged and requires extensive rehabilitation work. While some works are undertaken by a contractor funded through the Government of Iraq (GOI), this will not provide adequate electricity to the surrounding industrial and residential area. Hence, the MoD generously funds the installation of a mobile a 31.5 MVA, 33/11 kV mobile substation on an adjacent plot as well as additional rehabilitation works on the electrical distribution network in and around the Industrial Zone to boost the supply of electricity.



Figure 1. Planned Electrical Distribution Network

Since a stable supply of electricity is especially crucial for the kind of high voltage equipment often used to repair agricultural machinery, the project, once completed, will ensure the full functioning of the electrical distribution network within the catchment area and enable the workshops to operate throughout the day. This support to Hawija's electrical distribution network will directly benefit 260 municipal employees (40 women), 1,650 technicians and workers employed in the workshops, and 700 individuals living in the catchment area. Furthermore, the project will indirectly benefit 120,000 residents of Hawija (72,000 women) and 205,000 individuals living in the surrounding area (123,000 women), through reinvigorated economic activity in the Industrial Zone. It is anticipated that the reinvigoration of the local economy would further encourage returns and provide much needed source of local employment.

As UNDP awaited the disbursement of the first tranche of funding, activities during the reporting period focused on laying the groundwork for main interventions to begin immediately upon the receipt of funds. This included expediting the procurement process and the tendering of the two main interventions as outlined in the proposal, review of submitted bids and selection of the contractor. In addition, the establishment of end user committees to oversee the works was well underway.

Outlook

With the first tranche of funds received in October, UNDP was able to award and sign the contract with the selected bidder allowing for works to commence. Activities on the electrical network will begin in mid-October and works for the mobile substation are expected to follow shortly after. While UNDP is expediting all activities, the deferred disbursement of the first tranche of funds has some implications on implementation as the contract with the selected contractor could only be signed recently. Consequently, we anticipate the completion of works for August 2022. A tentative, updated work plan is included overleaf as Annex 1.

Implementation Challenges

At the time of reporting, no further implementation challenges were encountered.

The Iraqi government recently changed the rules for tax exemptions insisting that any items imported into the country via the Kurdistan Region of Iraq (KRI) have to be administratively cleared in Baghdad as well as in Erbil, which might slow down implementation. UNDP has considered this (to the extent possible) in its work plan.

However, unforeseen events (e.g., rise of political tension as a result of the recent elections) may further delay implementation. In such event, UNDP will inform the MoD in a timely manner.

Annex 1. Tentative Work Plan

		2021		2022			
		Q3	Q4	Q1	Q2	Q3	Q4
Supply and Installation of Electrical Network							
1.	Supply of material (poles, conductors, cables, etc.)						
2.	Excavation works for poles and cables						
3.	Foundation works for the poles						
4.	Installation of poles, conductor, transformer and cables						
5.	Test commission and finalization of works						
Supply and Delivery of Mobile Substation							
1.	Supply of equipment						
2.	Assembly of mobile substation at factory, testing and transportation						
3.	Site preparation						
4.	Supply and installation of pre-fabricated cabins						
5.	Electrical works						
6.	Test commission and finalization of works						