



# Quarterly Progress Report

## October–December 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 (October to December 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\$) | Received (US\$) | Committed/Spent (US\$) |
|---------------------|-----------------|------------------------|
| 1,757,546.19        | 1,250,000.00    | 1,079,889.00           |

## Programme Context

The **coronavirus disease (COVID-19) global pandemic** continued to present public health and socio-economic challenges during the reporting period (1 October to 31 December 2021). By 31 December, a total of 2,093,740 COVID-19 infections, resulting in the death of 24,158 people, had been confirmed by Iraqi health authorities.<sup>1</sup> Following the delivery of four rounds of vaccination doses through the COVID-19 Vaccines Global Access (COVAX) Facility until September 2021, Iraq received an additional 2.9 million doses of the Pfizer COVID-19 vaccine in November bringing the total number of vaccines provided by the Facility to over 6 million doses. While vaccination services were significantly expanded across the country during Q4 2021, only 14% of the population were fully vaccinated by the end of 2021. Whereas UNDP field operations fully resumed in mid-2020, the speed of implementation continues to be affected by preventive measures and persisting logistical bottlenecks as well as a global increase in cost for construction material.

**Parliamentary elections** were held in Iraq on 10 October 2021 with a voter turnout of 43%. The Independent High Electoral Commission announced partial preliminary results for all governorates the following day with the Sadrist political bloc receiving the most seats after the initial count with 73 seats. Initial political reactions to the announcement of preliminary election results varied across the country. Several political parties and actors rejected the partial and complete preliminary election results, while others expressed concern about perceived election irregularities and called for a manual recount. As outlined in the legal framework, manual recounts of contested ballots were carried out by the Electoral Commission following the submission of appeals. Final results were announced on 30 November 2021. On 27 December, the Iraqi judiciary officially rejected final appeals and complaints thereby giving way to the ratification of the election results.<sup>2</sup>

Implementation of the *White Paper for Economic Reform* has stalled during elections and is expected to be picked up by the new Government in 2022.

**Attacks against diplomatic missions and convoys** in Iraq and against the **civilian population and infrastructure** continued, especially in Anbar, Baghdad, Diyala, Kirkuk, Ninawa and Salah al-Din Governorates, and remain a serious concern. In response, Iraqi security forces continued their counterterrorism operations.<sup>3</sup> On 7 November 2021, explosive-laden drones attacked the Baghdad residence of Prime Minister Al-Khadimi. Considering the conclusion of US-led coalition's combat mission on 9 December 2021, the security situation in Iraq is likely to remain volatile.

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.<sup>4</sup>

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

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

<sup>2</sup> S/2021/946

<sup>3</sup> Ibid.

<sup>4</sup> <http://iraqdtm.iom.int/>

## Progress Update

With the first tranche of funds received in October, UNDP was able to award and sign the contracts with the selected bidder allowing for works to commence and to progress from preparatory activities to implementation.

Activities to rehabilitate the electrical network began in mid-October and are progressing well. Works carried out during the reporting period included excavation and foundation works required for the installation of the tubular steel poles and the lattice poles as well as the installation of the poles. As of 31 December 2021, all 250 tubular steel poles and 75 lattice steel poles had been installed. Furthermore, the installation of the 20 transformers was completed as well. By the end of the reporting period, approximately 20% of the wires and conductors were installed. Wires and conductors are being installed together with the transformers to reduce the chance of theft. Currently, the electrical system is being supplied from the old transformers, which were recently refurbished by the GoI. However, once the entire industrial zone is operational, this modality will not be sustainable and will require the mobile substation also funded through this agreement.

Remaining works on the electrical network are expected to be completed in February 2022.



**Electrical distribution network with the location of the installed electricity poles.**

The end user has been heavily involved in the project activity and has selected the positions of each pole and transformer. The oversight committee has been monitoring the installation. After the project is completed, the end user will be in charge of maintenance as well as any further network extension as required.



Excavation works for tubular poles are carried out (left) and lattice poles are installed (right).



Transformers are installed and connected to the poles.

Following the award of the contract for the supply and installation of the mobile substation (25 MVA 33/11Kv), the site was handed over in November. This was due to the slow formation of the oversight committee by the end user and the prolonged security clearances of the contractor to access Hawija. UNDP has been working with the contractor and the Department of Electricity on the submission of the submittals to ensure that all components of the substation are compatible with the requirements. By the end of the reporting period, the building of the substation at the factory has commenced. The end user oversight committee visited the selected factory in Turkey of the contractor and checked all the production lines. They agreed that all the products and testing laboratory matched Iraqi and international standards, and also agreed that they would require a third party to test the capability of the transformer prior to shipping to Iraq.

## Outlook

As previously reported, the completion of works is anticipated for Q3 2022 due to the delayed disbursement of funds. UNDP has been expediting all activities and implementation is on track with activities expected to be completed as per the tentative work plan in Annex 1.

## Implementation Challenges

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.

At the time of reporting, no significant implementation challenges were encountered. However, unforeseen events (e.g., continued rise of political tension as a result of the recent elections) may 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 |
| <b>Supply and Installation of Electrical Network</b> |  |      |    |      |    |    |    |
| 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                            |      |    |      |    |    |    |
| <b>Supply and Delivery of Mobile Substation</b>      |  |      |    |      |    |    |    |
| 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                            |      |    |      |    |    |    |