



Quarterly Progress Report

April-June 2022

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 (01 April to 30 June 2022) 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 | 1,757,546.19 | 1,557,883.80 |

Programme Context

Following the **ratification of the election results** at the end of December 2021,¹ the newly elected parliament met for the first time in the Green Zone on 9 January 2022 to elect the parliament speaker and two deputies. However, the next step in the process, the election of a President, continued to be in abeyance as the necessary parliamentary quorum has not been reached. Once the President is elected, he or she will then charge the nominee of the largest parliamentary bloc with the formation of a council of ministers, to be endorsed by Parliament. In mid-June 2022, 73 Members of Parliament from Muqtada al-Sadr's bloc resigned, and 73 new members were sworn in by the Council of Representatives ten days later. The stagnant government formation process following Iraq's largely peaceful elections last October is stalling urgently needed reforms, such as the implementation of the *White Paper for Economic Reform* and creating a dangerous political and security vacuum that could be exploited by Da'esh.²

Attacks against diplomatic missions and convoys in Iraq and against the **civilian population and infrastructure** continued, especially in Anbar, Baghdad, Diyala, Kirkuk, Ninewa and Salah al-Din Governorates, and remain a serious concern. In response, Iraqi security forces continued their counterterrorism operations.³ The security situation in Iraq is likely to remain volatile and could be further exacerbated by **rising food prices** as a result of the Russia – Ukraine crisis. Since the beginning of April 2022, Iraq has been severely affected by unusually frequent **dust storms** grounding flights and hospitalizing thousands of people.

According to the latest available data from the International Organization for Migration (IOM), 4,959,714 displaced Iraqis had returned to their area of origin by the end of March 2022. This represents a minor increase of 7,482 people since the previous quarter – one of the **lowest return rates since tracking began in 2015**.⁴ Iraq's 1.18 million internally displaced persons (IDPs) are hosted predominantly in Ninewa, Dohuk and Erbil and mainly reside in out-of-camp settings (85%), while the rest remain displaced in camps (15%). They continue to face challenges to return to their places of origin and have limited access to safe water, electricity and educational services while simultaneously facing discrimination due to their IDP status.⁵

While the impacts of the **coronavirus disease (COVID-19) global pandemic** are gradually defusing across the globe, long-term public health and socio-economic challenges continued during the reporting period. By 30 June, a total of 2,345,893 COVID-19 infections, resulting in the death of 25,239 people, had been confirmed by Iraqi health authorities.⁶ Iraq received over 6 million vaccination doses through the COVID-19 Vaccines Global Access (COVAX) Facility in 2021. While vaccination services have been significantly expanded since late 2021, uptake of the vaccination has been relatively low. In March 2022, the Ministry of Health launched a campaign to expand the coverage of COVID-19 vaccines and routine immunization services, employing over 1,300 mobile outreach teams across Iraq.⁷ By the end of June, a total of 7,609,777 people had been fully vaccinated – about 18.9% of the Iraqi population. 26.9% of the population had received at least one dose.

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

¹ S/2022/103

² <https://www.un.org/press/en/2022/sc14804.doc.htm>

³ S/2022/103bid.

⁴ <http://iraqdtm.iom.int/>

⁵ IOM, "Protracted Displacement in Iraq: Revisiting Categories of Return Barriers", February 2022, https://iraqdtm.iom.int/files/DurableSolutions/20222793631_iom_DTM_District_of_Displacement_Profiles.pdf

⁶ World Health Organization (WHO), COVID-19 Iraq Portal, <https://covid19.who.int/region/emro/country/iq>

⁷ https://reliefweb.int/sites/reliefweb.int/files/resources/Joint%20PR%20%20UNICEF%20-%20MOH_ENG.pdf

Progress Update

During the reporting period, UNDP continued to make significant progress.

As previously reported, the **rehabilitation of the electricity distribution network** was completed in February 2022. The supply and installation of the electrical network is already benefitting shops of Hawija's industrial area. Thanks to the installation of the 20 transformers, it was noticed that power usage in the area has already stabilized. Once the mobile substation will be installed, the network will be further stabilized as the available power can be better regulated. This will allow for all equipment to be used without damaging them. 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.



The electricity distribution network is operational (left). Transformers were fitted with donor logo (right).

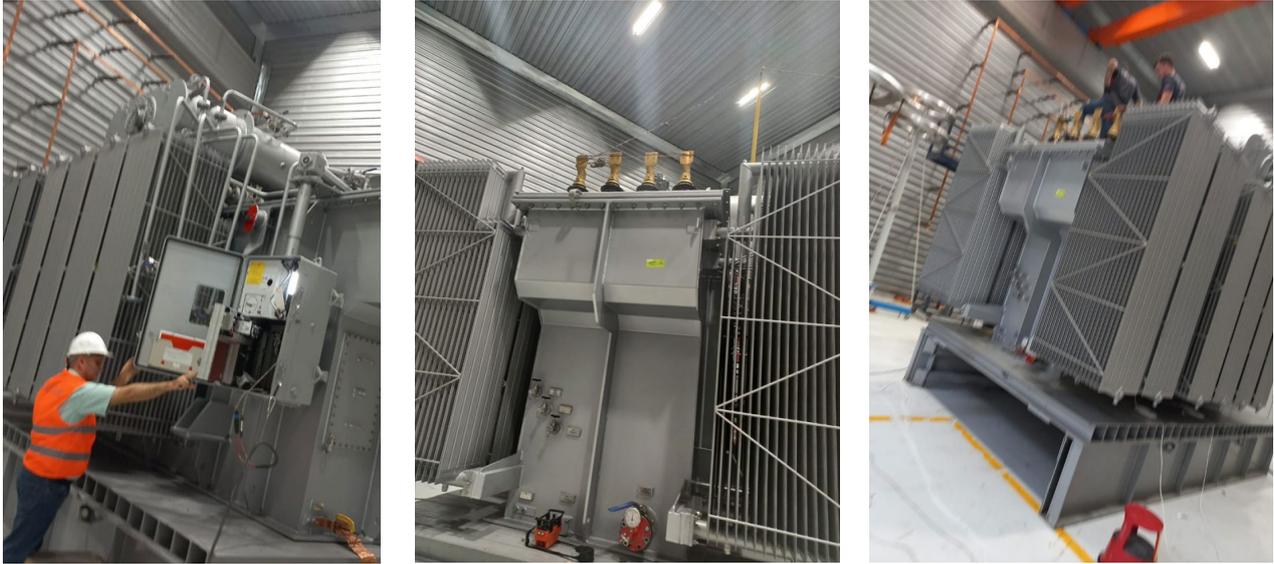
Implementation of the remaining activity, the supply and installation of the **mobile substation**, currently stands at completion rate of 90 percent. Manufacturing of the mobile substation's different components began in mid-December 2021 and was completed during the reporting period. The manufacturing of the 25 MVA transformer, the largest component of the substation, was completed in early June. The factory test of the transformer was successfully completed two weeks later in mid-June. The test was carried out by an independent third-party company in the presence of UNDP engineers⁸. The transformer has since been transferred to the assembly factory where the entire substation is currently being assembled.

Following the assembly of all components, the substation will be tested at the factory in Turkey before it is being transported to the project site in Hawija. Due to lengthy end user clearance processes⁹, which are further exacerbated by the political vacuum following last year's election, the visa process for the end user engineers is being delayed which is unfortunately affecting the date of the final factory test. While originally scheduled for end of July, the final factory test is now anticipated for mid-August. Tax exemption documents for the import of the mobile substation, which are required in Arabic, Kurdish and English, are currently being compiled to expedite the clearance process as much as possible.

⁸ Due to prolonged end user clearance and visa processes, engineers from the Department of Electricity in Hawija were unable to join. However, they will be present during the final factory test of the entire substation.

⁹ The end user engineers require clearance as well as official letters both at national level in Baghdad and Governorate level in Kirkuk. As the government formation process is yet to be completed, many decision-making positions within Ministries are either vacant or reluctant to act until a new government has been sworn in. This is even affecting relatively minor decision-making process such as clearance letters for end user engineers.

Preparation for the civil works at the site for the mobile substation in Hawija have commenced with plans and drawings of the foundation having been submitted for approval.



The factory test of the transformer was successfully completed.

On 9 June 2022, a **virtual monitoring visit** of the project was conducted. The visit was attended by the Ministry of Defence including the Minister, H.E. Kajsas Ollongren, and the Ministry of Foreign Affairs of the Netherlands. The virtual tour provided an overview of the progress and impact of Dutch funding supporting the project “Enhancing Hawija’s Electrical Distribution Network” and included live testimonials from beneficiaries, a pre-recorded video, and a presentation as well as Q&A sessions.



Starting page of the PowerPoint presentation presented during the virtual monitoring visit on 9 June 2022.

Outlook

The completion of all works is still anticipated for Q3 2022. While the finalization of activities was originally expected for the end of August, the installation of the mobile substation is likely to occur in September due to the rescheduling of the final factory test in Turkey. In the meantime, UNDP is already compiling tax exemption documents for the import of the mobile substation to expedite the clearance process as much as possible.

Implementation Challenges

As previously reported in the third quarterly progress report, 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 and has already begun work on the required documentation.

Due to lengthy end user clearance processes, which are further exacerbated by the political vacuum following last year's election, the visa process for the end user engineers is being delayed which is unfortunately affecting the date of the final factory test with the test now anticipated for mid-August.

Unforeseen events 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 |
| 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 | | | | | ■ | |