



## **THE RECONSTRUCTION OF IRAQ**



### **A PRELIMINARY BACKGROUND BRIEFING PAPER**

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Cover photo: UNICEF/ HQ03-0048/Shehzad Noorani. IRAQ: A smiling boy fills his cupped hands with water at an outdoor tap, at a UN-supplied water source in the village of Kanikhan, some 65 km west of the city of Suleimaniyah in the autonomously administered northern region.

## INTRODUCTION

This preliminary background briefing paper has been prepared for the informal technical meeting on reconstruction in Iraq convened by the United Nations as a step towards the implementation of the relevant provisions of Security Council Resolution 1483 (May 2003) - specifically, those provisions pertaining to assisting the Iraqi people, as they move towards reclaiming their own destiny, in post-conflict reconstruction processes falling under the independent responsibilities of the Secretary-General's Special Representative for Iraq. The meeting seeks to arrive at a common understanding of the road forward, including the planning of reconstruction needs assessments and priorities which can form the basis for an eventual donor conference sometime in the Fall.

Under present security constraints, the UN Country Team has attempted to pull together preliminary information on the post-conflict situation and the challenges facing the Iraqi people in rebuilding their lives, their livelihoods and their institutions. The following sectoral overviews reflect the background information and data that have been put together by UN staff currently in Iraq. They are quick compilations that complement the information provided in the Revised Flash Appeal. In this respect, it is important that they be seen as catalytic for the discussions in the breakout sessions and as a departing point from which to build on. This information will be enhanced through the preliminary needs assessment exercises that the UN and the World Bank hope to jointly undertake over the coming months.

The assessment and analysis of priority needs for reconstruction and related preparations for the conference on reconstruction would be facilitated if there is discussion and evolving consensus on a few major issues. These include:

- What is the overall objective of the reconstruction effort, in terms of its length and scope? Are we referring to restoring basic levels of services to pre-conflict levels or to levels that prevailed in the mid-1980's or to a more extended process of sustainable development? Should the planning framework be one, three or more years?
- What are the critical information gaps to be filled between now and the Reconstruction Conference? What are the minimum conditions that will make it possible for the assessment teams to access and generate required data?
- What should be the priority issues that the needs assessment exercise will have to focus on within each sector?
- What are the critical elements that would need to be in place in order to facilitate an effective assessment and analysis of the reconstruction needs and priorities? What implications would these have on the timing of the reconstruction conference?
- How will cross-cutting issues such as gender, human rights, environment, national capacity gaps and youth be addressed in spite of the proposed sectoral approach?
- What are the insights that can be offered to decision makers regarding the balance of capital investments necessary to re-launch the economy with the social policies and programmes that protect the most vulnerable groups?
- What capacity assessments and capacity building programmes can best support any process of devolution of responsibilities, decentralization and transformation towards a market economy?

- What can be done as a common priority throughout the reconstruction process, to address the present lack of Iraqi institutional capacity, to build a platform for institutional support, to ensure the active and meaningful participation of the Iraqi people in the process of rebuilding their country? How can efforts ensure that the Iraqi civil administration, regardless of the eventual nature and structure to emerge, is provided with the appropriate assistance that would allow it to claim part ownership and be seen by the Iraqi people as an effective and efficient provider of public goods and services?

## EDUCATION

### *Background*

Before 1990, the educational situation in Iraq was considered one of the best in the region. The war with Iran in the 1980s greatly affected available resources, but Iraq continued to maintain an education system that was free at all levels and provided all necessary learning and teaching materials. The 1990-91 Gulf War had a serious negative impact on all sectors of the Iraqi economy and the socio-economic conditions, including education, which experienced a rapid decline in terms of educational facilities, teaching and learning materials, and qualified teachers.

Enrolment in the 1990s remained stagnant in spite of an average annual population growth of 2.9% in the same period. Current enrolment for primary education is about 4 million, 1.3 million for secondary and 0.3 million for higher education. Since 1995, due to the stable political environment in the North enrolment has increased over 50%. During the 1990s, the proportion of girls among primary school students has stayed fairly constant at about 44% in the Centre/South and has risen from 42% to 44% in the North.

Data on primary school attendance shows the scale and seriousness of the ongoing erosion in education in Iraq: 24 % of children of primary school age (6-11) are not attending primary school, with nearly twice as many girls as boys dropping out; in rural areas, less than 50 % of girls are attending school compared to 80 % in urban areas. Drop-out rates have increased at the intermediate and preparatory levels of education (ages 12-17).

Substantial improvements in the adult literacy rate, estimated at 72 % in 1987, have given way to a sharp decline. Adult female literacy rates, since 1987, have dropped to less than 50 % by the end of the war.

By 2002, the education sector was in deep crisis: it is estimated that 70 % of all primary and secondary schools need to be completely rehabilitated (around 7,000 schools), while an additional 5,000 need to be built to accommodate the additional numbers of children. No significant investment in the school infrastructure has been undertaken for nearly 20 years.

Less than 2 % of children attend vocational training (compared to 15-20 % in other countries) and the equipment used is so out-dated as to make any skills acquired nearly irrelevant.

Quality of education leaves a lot to be desired. Teaching aides are outdated. The Iraqi curriculum has also not been updated for over 20 years, and teaching practices are badly outdated. Around 50 % of teachers are not qualified to teach while those who are trained lack the motivation to continue effectively in the profession: at less than USD 5 per month, the salary of an average teacher is not sufficient to buy basic food items or clothing. The double and triple shifting of classes and over-crowded classrooms further reduces the quality of education as well as the severe lack of basic classroom supplies and furniture further undermines education.

Between 1992 and 1997, a UN Inter-Agency Humanitarian Programme was implemented in Iraq to ameliorate the situation. The UN intervention, however, proved inadequate to meet the huge needs of the country. Under the OFFP programme the education sector had received a total of \$489 million in educational supplies as of March 2003 out of an allocation of \$1.5 billion. These imported commodities for use in the sector have alleviated some of the critical shortages of educational materials and furniture. However, with only 4% of the education allocations (\$22.4 million) being spent on the rehabilitation of primary and secondary

schools, the condition of the majority of school buildings in the Centre/South deteriorated considerably.

In higher education, lack of renewal of programmes has been compounded by a shortage of scientific, technical and pedagogical equipment. The restrictions on imports under the sanctions regime (regarding articles with possible dual use for civilian and military applications) have seriously undermined the quality of higher education. In the North of the country, the condition of educational facilities has improved notably, learning/teaching materials have been supplied at all levels of education and access to education has increased. Progress has been facilitated through the availability of a 'cash component' for construction and local procurement. In the Centre/South, a cash component was not available for facility rehabilitation.

Assessments that have been carried indicate the serious impact of the recent war on education as a whole. Educational facilities were seriously affected as both the HQs of MOE and MOHE, warehouses, and some DOE offices, schools, institutes and universities were looted and torched. Teaching materials and equipment, administrative equipment, and vehicles worth millions of dollars were looted or destroyed. The central educational system has collapsed, including payment of salaries, and the availability of records and data. The state of lawlessness and lack of security and safety affect attendance for children, especially girls, and most of the education system staff/cadres are not reporting to work.

### ***Challenges***

The above analysis of pre and post war conditions of Iraq's education sector bring to the fore a number of serious challenges:

- Resurrecting the administrative and management structure, both at the central and peripheral levels.
- Improving the Educational Management and Information Services, including data availability, data use and staff capacity.
- Closing the deficit in number of schools through the provision of a suitable physical infrastructure, including communication facilities and decent standards of hygiene and sanitation.
- Providing guidelines for future reform in curricula, teachers' training and teaching methods and aides.
- Addressing the terms of service, remuneration and qualifications of teachers.
- Addressing the imbalance in gender participation in schooling as well ensuring equal enrolment and attendance rates for rural and urban children.
- Designing and implementing effective programmes for addressing adult illiteracy, especially that of females.
- Promoting the education of girls, including the sensitization of parent-teacher associations.
- Breaking the isolation of Iraqi Universities.

## FOOD SECURITY

### *Background*

Since 1991 when the current public food distribution system (PDS) was put in place by the government, most Iraqis have become dependent on the rations they receive through this system. At the outset, the government provided 1,093 kilocalories (Kcal) per person per day (ppd) of food commodities. With the adoption of Security Council Resolution 986 in 1995 which launched the Oil for Food Programme in 1996, the ration was increased to 2,472 kcal ppd. The crucial importance of the PDS for the food security of the entire Iraqi population cannot be overstated, as 60% of the Iraqi population rely totally on the food rations for their daily subsistence.

A survey on the extent and geographic distribution of chronic poverty in the centre and south of Iraq in late February and early March 2003 found that even with the food rations, one in five Iraqis – or 4.6 million people – suffer from chronic poverty, defined as a condition where a household or an individual is frequently unable to meet basic needs, including adequate food, water, clothing, shelter, health and basic education. If one in five Iraqis in the south and centre was unable to secure basic needs before the recent war, it is most likely that this number has increased given the economic uncertainties, including loss of employment, production and incomes, in the private and public sectors.

In anticipation of the disruption by military conflict of the national food distribution system and in the absence of a functioning administrative structure in the country that could initiate and sustain the lengthy process of food procurement and transportation, the UN temporarily assumed responsibility of assisting to maintain the critical food supply pipeline until October 2003. Under this assistance programme, approximately 480,000 metric tons of food commodities are distributed every month to 27 million people through a country-wide network of 44,000 food and flour agents; in addition, the most nutritionally vulnerable groups (about 10% of PDS beneficiaries) are assisted with a supplementary and vulnerable group feeding programme.

It is assumed that the PDS in its current form will continue at least until the end of 2003. By October, the UN expects that full control of the PDS will be re-assumed by the Ministry of Trade. The intervening period will be used to gradually hand over responsibility of those functions that the UN system had temporarily assumed, including the coordination of incoming shipments. In the three northern governorates, the UN will work with the local authorities to facilitate their reintegration into systems adopted by the centralized MOT and phase out dedicated projects funded by the OFFP by November 2003, or hand them over to the local authorities.

In June/July, the UN will conduct a country-wide crop and food supply assessment mission. The objective of the mission will be to assess (a) the food supply situation and compare these with previous assessments of the food and nutritional situation (b) the nutritional status of the population and (c) elaborate an appropriate set of food aid interventions targeting the food insecure and nutritionally vulnerable groups. The situation of vulnerable groups will be further monitored through a nation-wide Vulnerability and Assessment Mapping (VAM) exercise from July to September.

With regard to agriculture, the cereal crop harvest season in Iraq is underway and some 2.5 million hectares are ready for harvesting, with an expected yield of 1.7 million metric tons. Although the prospects for this year's wheat and barley production are promising the harvest campaign is at risk due to problems of access, lack of functioning combine harvesters and spare parts (while fuel is available). The cereal seed production is also seriously at risk unless urgent actions are taken.

The unexpected and extensive looting and destruction of warehouses storing agricultural inputs and the complete paralysis of the state controlled Agricultural Supply Company (ASCO), responsible for the import and distribution of farming inputs to retailers, is hampering the capacity of farmers to resume production.

Insufficient power supply and looting of back-up generators from the main pumping stations has greatly reduced the availability of water for human consumption, crop production and livestock use.

Delivery of essential veterinary services has come to a complete halt due to looting and destruction of veterinary clinics, laboratories and cold storage facilities. Essential vaccination campaigns are no longer being carried out and there is a lack of veterinary drugs.

The domestic poultry industry has deteriorated significantly. Eggs and poultry meat are rare commodities on the market increasing dependency on more costly imported protein sources.

### **Challenges**

- The future of the PDS in the medium term has macro-economic, micro-economic and social protection implications which need to be factored into any plans for phasing it out.
- The food security and nutritional situation of the most vulnerable and impoverished population groups throughout the country require assessment and monitoring.
- Major constraints to the timely and effective resumption of the PDS remain security-related. Warehouses and silos will continue to require enhanced security measures to stop looting and pilfering and routes will need to be secured for food convoys. PDS infrastructure, notably silos, warehouses and other MOT facilities will also require significant repair, particularly in the southern governorates.
- Facilitate the sector's recovery to achieve the required level of production to meet partial demand for food and other agricultural products needed for reviving the local and export markets and rural employment.
- Removal of serious macroeconomic distortions in trade and prices that affect the agriculture sector adversely.
- Land reform and development of appropriate land use policy which provides stable tenure for farmers and creates incentives for long term investment in agriculture.
- Development of agricultural credit markets and institutions, particularly focusing on micro-credit.
- Capacity building and strengthening key institutions like extension, research, marketing information, trade promotion and regulatory institutions for consumer protection and quality control.
- Privatization of agriculture inputs and outputs markets and phasing out public enterprises involved in these activities.
- Replacing agricultural subsidies with alternative sound economic measures.
- Removing barriers to private investment and providing an enabling environment for growth of agro-processing industries and agriculture services through private efforts.
- Creating new capacity, through appropriate technological changes and human resources development, for a new agro-industry orientation strongly geared for exploiting global market opportunities.
- Addressing environmental issues related to agriculture (irrigation schemes, over-grazing, desertification, Mesopotamian Marshlands).
- Developing strong public-private partnership for full exploitation of the sector's potential, keeping perspective of the legitimate role of the public sector in development.



## MATERNAL AND CHILD HEALTH, AND NUTRITION

### *Background*

Decades of conflicts, economic sanctions and the current war have had a devastating impact on the health of women and their families. The deterioration of health facilities, shortage of essential drugs and medical equipment, soaring inflation, and the loss of trained medical personnel have weakened the once-strong Iraqi health care system. These tendencies are reflected in the following key indicators:

Maternal mortality has more than tripled (294 per 100,000 live births), accounting for one third of all deaths among women aged 15 to 49.

Anaemia among pregnant women is estimated at 70%, which is putting them, their pregnancies and their newborns at high risk of mortality and morbidity.

Decreased access to antenatal care and emergency obstetric care, as well as high levels of stress, have contributed to unacceptably high levels of miscarriage and still births, as reported recently by aid agencies operating in Iraq during this time of crisis.

Recent reports have indicated an increased level of miscarriage and stillbirth incidents due to unavailability of adequate and timely care and stress (a significant proportion need immediate medical treatment to prevent life-threatening infection or later infertility). Shortages of contraceptives have also been reported; noting that percentage of women who are using family planning is estimated at 14%, will need urgent access to the methods they have chosen in order to continue to prevent unwanted pregnancies.

More than one quarter of pregnant women give birth without a skilled health attendant present, and they do not receive emergency obstetric care when they suffer complications during pregnancy or delivery. Follow up care is also of low quality. Basic drugs needed to control haemorrhaging are also lacking in health facilities.

Prolonged stress associated with conflict and subsequent chaos has had serious consequences on psychological health of women and their families, requiring interventions to help families and communities to cope.

Infant and under-5 mortality rates in South/Centre Iraq witnessed a dramatic increase. Infant mortality jumped from 47 deaths per 1,000 live births between 1985 and 1989 to 107 between 1995 and 1999. The rates in rural areas are significantly higher than in urban areas. Neonatal mortality accounts for two-thirds of infant mortality – i.e. taking place within the first 28 days following delivery. Diarrhea and Acute Respiratory Illnesses (ARI) are the major killers of Iraqi infants accounting for nearly 70% of their deaths in Iraq. Mortality of under-5s is attributed to malnutrition and a wider spectrum of killer diseases covering measles, diphtheria, pertussis in addition to diarrhea and ARI. Lax immunization practices, poor water and sanitation, deterioration of health institutions and services, and poor hygiene practices at the household level are key intermediate causes behind the hike in under-5 mortality rate.

Child nutrition also deteriorated rapidly post sanctions. From 1991 to 1996, acute malnutrition among under-five children went up from 3% to 11% chronic from 18.7% to 32%. Although malnutrition rates are lower in the three northern governorates, they have shown in a decline in South/Centre in 2002 to 4% and 23.1% respectively. Almost one in four under-5 Iraqis are stunted.

The recent war resulted in a rapid deterioration in infrastructure and collapse of the administration and health care delivery system. Communication between the centre and the governorates has broken down. The health services suffered still other serious setbacks due to large scale looting, sabotage and deterioration in law and order situation.

Assessments done by the UN following the conflict show that less than 50% of the Iraqi population are able to access the medical care they need owing to insecurity. An estimated 75% of all health-care structures, including the public health laboratory network and centres for disease control, were affected by looting and chaos. Institutional capacity has been further weakened by lack of cash for recurrent costs.

It is estimated that maternal mortality has increased significantly and there has been a rise in vaccine-preventable diseases, among which are Pertussis, Tetanus and Diphtheria. A rapid assessment of the immunisation programme in May revealed that routine immunisations stopped at the beginning of the conflict. Disruptions to the electrical power supply compromised the cold chain and most vaccines were lost. Only 60% of primary health care centres are currently capable of providing immunisation services even when new vaccines are made available.

There has been a more than two fold increase in cases of acute watery diarrhea among children. The governorates in the South have reported an outbreak of cholera. This has resulted in rapid increase in acute malnutrition among children. The adverse conditions that the war resulted in led to a reversal of malnutrition rates from its declining trend. A survey supported by the UN in Baghdad has shown an increase in acute malnutrition from 4% to 7.7%). Hospitals in the other parts of the country have also reported an increase in severely malnourished children.

The established means to address the malnutrition problem have also undergone serious setbacks, with many Primary Health Centres (PHCs) and Community Child Care Units (CCCUs) looted and stocks lost.

### ***Challenges***

- Upgrading and expansion of preventive health measures, in particular: construction of new PHCs and rehabilitation of damaged ones to meet increasing demand for child health services; provision of essential drugs and commodities and urgently needed equipment for hospitals, primary health care facilities and mobile clinics in the public and private sectors; training of service providers; taking all necessary steps to attain at least 95% immunization coverage by 2005; expanding and upgrading maternal, prenatal and neonatal services; improving the hygiene knowledge and child-care practices of mothers and the community; raising awareness on the hazards of early marriage and short birth intervals.
- Accelerating the expansion of the Targetted Nutritional Programme (TNP) which requires: the expansion of CCCUs to at least 4000 in the country by 2005 and upgrading the skills of its members; providing adequate supplies of high protein biscuits and therapeutic milk; expanding to scale use of micronutrients in particular vitamin A supplementation and iron fortification of flour.
- Expanding and upgrading the health MIS to ensure the production of timely, reliable and relevant data for monitoring and evaluation of changes in health and nutritional status of children.

## WATER, SANITATION AND WASTE MANAGEMENT

### *Background*

Prior to the 1991 Gulf-War, the water and sanitation sector in Iraq was well equipped with sophisticated technologies, efficiently managed, relying on many foreign experts, and adequately funded and supported due to a vibrant oil-based economy and modern aspirations. These conditions contributed to over 90% efficiency rates in water treatment and distribution, as well as sewage and solid waste management. During this period access to safe water peaked at over 95% and 75% for urban and rural populations respectively and sanitation and public health indicators were relatively good with minimal water and sanitation related diseases

Following the 'Gulf War', the combined infrastructure damage, subsequent UN sanctions, huge government budget cuts of up to 90% and a massive brain drain of key technical and managerial expertise coupled with shortages of spare parts, water treatment chemicals and the continuing deterioration of power supplies resulted in over 70% of all water and sanitation services being seriously impaired and efficiency rates drop to below 30%.

In 1997, the production of drinking water in the 14 C/S Governorates amounted to 1,400 million cubic meters per year. The design production of Baghdad amounted to 850 million cubic meters per year. However, the estimated efficiency of the existing facilities did not exceed 40% of their design capacity. The percentage of waste was estimated at more than 40% of the actually produced water.

As regards sanitation, the design capacity for the 14 Governorates, except Baghdad, amounted to 153 million cubic meters per year, and the design capacity for Baghdad amounted to 680 million cubic meters per year. In addition, there were 256 pumping stations comprising more than 1,000 vertical and submerged pumps.

In 1997, the total capacity of treated cubic meters per day of all water supply facilities in the 15 C/S Governorates was reportedly 7,514,200 (excluding boosting stations) with an estimated chlorine gas average consumption of 19.69 tons per day. During the same year, a critical status of the water and sanitation sector in the three Northern Governorates was reported as the water treatment plants were operating at about 60% of pre-1991 levels. In Center/South, particularly in Baghdad, the water treatment plants and pumping stations are still operating at 40-60% of their design capacities. As at April 2001, the reported number of Water/Sanitation facilities for the Center/South is at least 2,828 consisting of: 218 water treatment plants; 1,191 compact units; 135 water-boosting stations; 13 sewage treatment plants; 1,250 sewage pumping stations; 2 central water testing laboratories; 4 central warehouses; and 15 Governorate warehouses. The number of water/sanitation facilities for the Northern Governorates was 804, consisting of 21 water treatment plants; 3 central water-testing laboratories; 640 boreholes; and 140 other systems.

In May 2002, the UN reported that in the 15 centre/south Governorates, there was a general improvement in the quality of potable water, due largely to continuous availability of disinfectants, such as chlorine gas and bleaching powder, the increased arrival and installation of chlorinators and gradual progress on rehabilitation of the water distribution network.

In the water sector, there has been both a drop in coverage between 1990 and 2000 as well as significant erosion of water quality. Before 1991, the potable water coverage for urban and rural areas was 95 % and 75 % respectively. This was achieved through an advanced water

system composed of fixed 218 fixed water treatment plants, 1,191 mobile compact water treatment plants, 51 boosting stations and hundreds and thousands of kilometres of water conveyance pipes. Urban coverage has decline to 92 % while rural coverage dropped more sharply to 46 %. Between 1990 and 2000, the daily per capita share of potable water went from 330 litres to 150 litres in Baghdad, 270 to 110 in other urban areas and 180 to 65 in rural communities.

Water quality was heavily compromised during the 1990s. Ministry of Health results reported high contamination of water samples, sometimes beyond 40 %. The situation is particularly serious in the southern governorates. In a number of instances, especially in the southern governorates, treated water is blended with raw water (directly from the source). Many rural communities also rely on water tankering to meet their needs for potable water. Water losses through inefficiencies in the network are estimated 50 % of treated water. Water schemes are currently operating at about 60 % of their normal efficiency.

As for sanitation, about 25 % of the population, all in urban areas, use piped sewerage systems; about 50 % use household cesspools, septic tanks and pit latrines; the rest of the population dispose of their sewerage directly into rivers, streets or open areas, forming ponds of stagnant water and causing contamination and environmental hazards in both urban and rural areas. Most treatment plants are malfunctioning due to lack of spares, equipment, proper maintenance and skilled manpower.

The capacity of municipalities in Iraq to dispose solid waste has been seriously eroded since 1990. The collection capacity in Baghdad, for example, has declined to about one-third of its 1990 level, and garbage accumulates regularly in the city – posing a significant health hazard. The situation is even worse in other urban and peri-urban areas. In rural communities, solid waste is not managed at all. No solid waste management strategy has been developed in Iraq.

The effect of the recent war has been the breakdown or unavailability of public services, particularly in highly concentrated urban areas. The central water and sewage authorities, the Baghdad Municipality and the General Corporation for Water and Sewerage (GCWS) are in crisis. Looting and sabotage has decimated stocks and equipment supplies, including water purification chemicals, spare parts and damaged water-testing labs. Lack of spare parts and adequate financial resources, lack of fuel for generators, difficulty of movement/transportation, the lack of communication between locations within and outside Baghdad, weak inter-institutional and intra-institutional accountability and denial/absence of regular monthly salaries to employees have led to the collapse of the system.

Assessments of the water distribution network were carried out in the capital and around the country. In Baghdad, around 40% of the network was damaged. Estimates are that up to 50% of the city's water is lost. Water and sanitation monitoring programme in 14 governorates in the central and southern parts of the country found that out of 177 water treatment plants, 19% were classified as good; 55% were unacceptable; and 26% were poor. In rural areas, particularly in the south, the supply of raw water sources used for washing and hygiene has been interrupted. As a result, the demand for water from Reverse/Osmosis (R/O) plants and water tankering has increased considerably. Shortages in power supply also contributed to the inadequate and insufficient supply of water to the population.

Sanitation facilities are in a similarly precarious state around the country. Sewage treatment facilities are mostly non-operational, due to the breakdown of the fuel supply line, the lack of maintenance and looting. In Baghdad, the two sewage treatment plants are currently non-functional, while most of the sewage pumping stations lack sufficient fuel to operate.

## **Challenges**

- The ongoing rehabilitation process should have a two tier/stage plan; the objective of the first stage is to focus on restoring, as rapidly as possible this sector's services to their pre 2003 war level, while the second stage aims at raising the level of these services to their pre-sanctions level. Simultaneously pre-2003 war modest and limited initiatives to improve the efficiency of the system should be expanded to a comprehensive scale.
- New and additional productive capacities of the sector should be constructed to ensure expansion of accessibility to potable water to 75 % in rural areas and 100% in urban areas.
- A new approach is required to find appropriate and alternative sanitation (i.e. both garbage and sewerage disposal) solutions that protect the environment, are cost-effective, locally sustainable and possibly income-generating.
- Consensus is urgently needed to rationalize water resources use and management, including the development of pricing and other policies, legislation and a regulatory framework the one hand the conduct of elaborate and comprehensive campaigns for behaviour change on the other.
- Changes in the management of water and sanitation should be considered to ensure wider participation of beneficiaries in either monitoring and evaluation of the productive units of the sector or in its management.
- Availability and suitability of the disposal of clinical waste (including incinerators), demolition wastes (including potential impact of asbestos), hazardous waste (including oil wastes from industry and oil-filled trenches) and military waste (including burnt-out vehicles, UXO).

## HOUSING, ELECTRICITY and TRANSPORT

### HOUSING

#### *Background*

Up-to-date, systematic, and comprehensive baseline data on households and housing conditions, especially in the center/south of Iraq, is not available. However one would expect, given the many years of neglect, the substantial drop in residential investment and the damage caused by the recent hostilities, that housing conditions for the majority of the people are serious. For example, residential construction dropped from 16.09 million square meter in 1989 to only 347.9 thousand square meter in 1996. Share of housing and construction in the Gross Domestic Product (GDP) decreased from 6.5 percent in 1989 to 0.47 percent in 1996. Housing construction activity started to decline after 1990. Between 1987 and 1991, housing output dropped from 20.5 thousand units in 1987 to 6 thousand units in 1991 in the four main cities of Baghdad, Basrah, Kirkuk and Mosul.

Housing construction activity started to recover subsequent to the inclusion of the sector in the Oil-for-Food Programme in 2000 when Iraq could import building materials, spare parts and construction equipment and machinery.

There are a number of issues that need to be addressed to streamline the delivery of housing in Iraq, They include:

- Housing finance and affordability;
- Land delivery;
- Institutional capacity, and;
- Building materials.

#### Housing finance and affordability

The Real Estate Bank, a public finance institution, managed formal mortgage finance. Interest rates and amortization periods were either determined by the Bank for the general public or by the relevant government institution for its own staff. In many cases, potential borrowers refrained from applying for the loans due to unaffordable monthly payments. The other form of lending came from private banks. Due to their high interest rates and the commercial nature of their operations, their loans were only affordable to the high income groups and modern housing.

#### Land delivery

Delivery of land in Iraq was made by both public and private sectors. However, land allocated by the government to individuals, free of charge, constituted the main source of plots for house construction. Location of the distributed land and proximity to services and infrastructure varied. The private land market has primarily been formed through sale of plots formerly allocated to individuals by the government. Prices of such lands are prohibitive and beyond the reach of the majority of households.

#### Institutional capacity

Both public and private sector institutions have traditionally carried out construction of housing in Iraq. There has been no assessment of the construction sector institutions in recent years. However, one would safely say that during the nineties, and in the absence of basic resource inputs, many went dormant or left the business. Iraq largely relied on migrant

construction labour during the seventies and eighties during which huge infrastructure and construction projects were implemented. With the onset of the first Gulf War in the early nineties, foreign labour left the country. In the last three years and with the gradual recovery of the construction industry, labour scarcity has pushed prices up.

The existing laws are to some degree designed to ensure high standards of housing. Building codes, subdivision procedures, zoning laws, taxation laws, and laws governing landlord-tenant relationship may be constraints on the construction of new housing and the operation of the rental market. The implementation of a new law in Iraq organizing landlord-tenant relations and providing tools to encourage private investors, has been put on hold for a period of three years.

### Building materials

Before the nineties, Iraq imported needed construction materials and supplies including steel, wood, spare parts, equipment and machinery. Between 1990 and 2000, the country was unable to bring in these items. Alongside the imported materials, Iraq could produce primary complementary materials including cement, bricks, and glass among others. Iraq has 12 state-owned cement factories throughout the country. Owing to lack of spare parts, equipment and materials many factories stopped production or were operating at much lower than their nominal capacity.

The housing need in Iraq consists of the following:

- Need arising from annual population increase estimated at 90,000 units;
- Need arising from reducing overcrowding estimated at one million units;
- Need arising from replacement of obsolete units, the UN estimates that at least 10-20 % (250,000-500,000 units) of the existing housing stock is of substandard quality and needs upgrading or complete reconstruction.
- Need for housing for the internally displaced persons, final estimates of whom are still to be determined.

### *Challenges*

- Enhancing the role of government as an enabler rather than direct producer of housing units;
- Meeting the housing deficit and achieving levels of production which can keep pace with future demand;
- Enhancing the capacity of local delivery institutions to plan and implement housing development plans, programmes and projects;
- Facilitating delivery of housing factor inputs including, housing land, finance, building materials and labor;
- Upgrading existing housing stock;
- Improving access of most disadvantaged groups to affordable housing including Female Headed Household, elderly, physically challenged and the poor.

## **ELECTRICITY**

### *Background*

Prior to 1991, the total installed capacity throughout Iraq was 9,295 MW. This meant an available capacity of 7,800 MW which met the demand. Power plants were spread throughout the governorates according to an overall plan for the national grid. In the centre

and south of Iraq, reliable power was supplied to most households in all the governorates - including rural areas - through an efficient distribution network. There were no restrictions on user consumption and the supply was continuous.

The three northern governorates of Iraq were supplied with power from several high-tension transmission lines from Mosul and Kirkuk governorates, in addition to the available dam output. These lines fed into ten transmission substations from which power was then distributed. As the governorates' electricity system was part of the Iraq national grid, technical support was centralized and provided from Baghdad.

During the Gulf War, the electricity system was severely damaged. Power plants throughout the country were hit and several were completely destroyed. Out of a total of 120 generation units in the 24 power plants, only 50 were operational at the end of the war, leaving a total capacity of 2,325 MW. Under the sanctions regime, Iraq's ability to rehabilitate these plants has been restricted. It was able, temporarily, to remount available capacity to about 4,041MW, which was achieved by reaching 50 % operability of a restored 8,200 MW installed capacity. The low available capacity mentioned was due to deterioration, lack of spare parts for adequate maintenance, and very poor operating conditions. Since 1995, the accumulation of problems has led to an overall downward trend in the reliability of the plants to generate power.

The transmission and distribution of electricity was also affected, especially in the south of the country. Fifty-seven towers and one distribution substation were destroyed on one 400 kV line alone. Several substations and lines were damaged, leaving only about 40 % of the 400 kV grid operable. Between 10,000 and 15,000 distribution transformers were also destroyed, which led to the disconnection of up to 750,000 households. Sanctions have had a serious effect on the rehabilitation of these high maintenance sectors.

In 1991, the electricity networks in Sulaymaniyah and Erbil were cut off from the national grid, as a result of both war and legitimate and illegitimate cannibalisation. These governorates became solely dependent on the generation produced by the hydropower stations at Dokan dam (400MW) and Derbendikhan dam (249MW). These dams were built for irrigation purposes and served only as peaking stations in periods of high demand to complement the main thermal power supply through the national grid. Even though the reservoirs supplying the power stations are large, the combined annual base load capacity of the stations in an average rainfall year was only 200MW to 250MW. Both dams suffered serious damage and degradation due not only to internal conflicts but also to the lack of spare parts and funds to ensure their proper maintenance and upkeep.

Following the withdrawal of the central administration from the three northern governorates, even more damage was done to the electricity system, due mainly to scavenging of materials by the local population. Distribution efficiency losses in the Erbil and Sulaymaniyah governorates reached approximately 25 %, while Dahuk experienced losses of about 20 %. (Internationally acceptable average loss is 6 to 8 %.) These losses were mainly attributed to the poor state of the overall distribution network, as well as to illegal connections. Furthermore, as a result of the region's previous complete dependence on the Government of Iraq for electricity, local expertise and institutional capacity of the local electricity authorities (LEAs) was not sufficient to run what remained of the network as effectively as was the case under central management.

Because of inadequate power generation and fragility of the overall system, the three northern governorates experienced numerous outages and substantial load shedding. While entrepreneurs began selling electricity from private generators to those who could afford it, the majority of the population suffered extreme winter and summer temperatures without



reliable electricity supply. Programmed power cuts of more than five hours per day became customary throughout the region, with supply sometimes as low as two or three hours per day.

After the latest conflict quick assessments were made. The power stations were hardly affected, in contrast to the 400 kV and 132 kV transmission lines. The coalition forces, together with Commission of Electricity (CoE) prepared a plan for the repair of the lines and the start up of the whole network.

Initially the power stations were suffering from shortage of fuel, especially from gas for the gas turbine stations, but this problem has been partially solved over the past few weeks. The repair of the 400 kV lines went according to schedule. In early June, the available generator capacity in the country was 3,400 MW of which 1,300 MW was available for Baghdad. However the breakdown rate of the generating units is increasing. Insufficient spare parts are available and CoE is not able to cope with the present situation. Furthermore, some towers of the lines, which were repaired and energized, are collapsing. This could be a result of looting or sabotage. The repair on the 132 kV lines has hardly started.

The available power generation actually went down and, on 17 June was 3,200 MW with only 800 MW available for Baghdad, against estimated requirements 1,800 MW for the capital city. Collapsed 400 kV towers near Beji further restricted availability of electricity. Last year, during the same period, the total available generation capacity amounted to 4,500 MW. Baghdad only suffered from non-planned power cuts.

CPA is very concerned on an equitable distribution of the available power in the Centre/South. For several governorates, the power supply is presently better than previous years.

### ***Challenges***

- As a result of the sanctions and the non-availability of funds, the overall condition of the generation, transmission and distribution equipment is in a deplorable state.
- The financial resources required to bring the electricity system to an acceptable level of operation are enormous. If the equipment of all contracts under the OFFP which have been approved and for which funding is available should be delivered, still an additional US\$ 1.5 Billion is expected to be required within the next two years to ensure that after three years the power cuts are reduced to only a few hours during the peak season (July and August). By that time a total of 2,400 MW could be added to the system.
- Some equipment needs to be replaced in view of the age of the existing installations. Furthermore, more additional new generation capacity and reinforcement of the transmission and distribution network is required to cope with the expected load grows.
- The reconnection of the northern network to the national system is still pending completion.

## **TRANSPORT (Roads, Rail and Ports)**

### ***Background***

Iraqi is well served with a sealed road infrastructure. However, as a result of the 1991 and 2003 wars, there are at least 37 major damaged bridges in the country. The CPA is currently undertaking a series of technical assessments of these structures and has preliminary plans to

repair 13 bridges. Road and Bridges are within the portfolio of the Ministry of Housing and Construction. Some short-term interventions, such as Bailey Bridge installations and diversions, have been undertaken by the CPA to ensure a continual flow of road traffic.

Shortly after the war, the Coalition began to re-activate portions of the rail network for the limited movements of passenger and military traffic. The CPA has since begun working with the Iraqi Rail authority to identify short and medium term requirements aimed at bringing the rail service back to pre-war levels. Trains are now operating in three sectors: Basra-Baghdad, Baghdad-Mosul and Baghdad-Al Qa'im. The rail presently supports passenger, fuel, humanitarian, commercial and military traffic. The Rail Authority is under the Ministry of Transport and Communications (MOTAC).

The CPA is currently addressing short-term requirements for critical sections of the rail infrastructure (near Um Qasr, a bridge near Kirkuk, a stretch of track near Baiji and the line to Akachat). In addition, there is an immediate requirement to install wireless communications as the previous internal communications network has been looted. To increase the off-take from Um Qasr port, potential improvement in the rail-port interface is also being assessed. Finally, efforts are underway to bring on line as much of the existing rolling stock as possible through minor repairs and the provision of critical spare parts.

Iraq has three major ports, Um Qasr, Basra and Az Zubayr. Currently, Um Qasr is open to humanitarian traffic. Az Zubayr is a military port and is not being used for civilian cargo at the moment, in addition there are severe draft restrictions in the channel. Basra port is also not being used due to security problems in the Shatt-al-Arab and draft restrictions in the port. The Iraqi ports system has a large labour force, which is currently under-utilised. The Ports are under the Ministry of Transport and Communications (MOTAC).

The port of Um Qasr is managed by Stevedore Services of America (SSA), which is under contract by USAID. SSA is engaged in a series of short-term interventions including the installation of generators to meet the minimal power requirements of the port. Minor repairs of port sheds and handling equipment are also on-going. A dredging effort by both SSA and the UN is underway to increase the capacity of the port to handle large bulk grain vessels. The aim of this effort is to increase the capacity of the port to at least pre-war levels. Current port performance, although improving, is still below these levels.

### **Challenges**

- Institutional – determination of the final organizational and fiscal structure of the Ministry of Housing and Construction in respect of road and bridges management; possible re-structuring of the Rail Authority and tariff-setting on a commercial basis; managerial questions on how to structure port operations, including any privatization options, particularly in respect of port labour; determination as to whether Az Zubayr will remain a military port or be used for civilian purposes; and reactivation of the port's maritime operations and development of an Iraqi Coast Guard.
- Assessment - of any new road construction projects, development of appropriate road and bridge maintenance systems and identification and prioritization of road and bridge repair works; develop a plan for installing proper signaling systems; improvements in the integration of port and rail operations.
- Policy issues - such as road use pricing and axle weight restrictions; whether or not to pursue pre-war plans for installing double-track infrastructure for certain portions of the national rail network; extent of investment required for the Syria-Mosul line;

- Rehabilitation - of the ports' physical infrastructure as well as port handling and power facilities, including development of container handling facilities at the Iraqi ports and assessment of any the potential for any ICD (Inland Container Depots) installations; dredging operations to facilitate the receipt of larger capacity vessels, particularly for the approach to Basra port and in the port of Um Qasr;

## MINE ACTION

### *Background*

The pre-conflict situation relating to mine and unexploded ordnance (UXO) contamination and its socio-economic impact on communities is only clear in the three northern governorates. This is a result of the landmine impact survey undertaken by the UN before current hostilities began, which did not include communities in the restricted area within 5 km from the border with Iran. In the centre and south of Iraq there was very limited information available before conflict began. Currently the coalition forces are collecting information needed for their battlefield awareness and force protection.

Generally, the major known mine and UXO threats are concentrated in the North of Iraq, to the east along the length of the border with Iran and in the South along the Kuwaiti and Saudi border. Media reports indicate that the coalition forces undertook extensive aerial bombardment and used artillery to deliver sub-munitions which will result in a significant increase in mine and UXO hazards throughout Iraq, particularly in areas near main supply routes and in the major populations centres in which fighting occurred.

UXO will present a threat throughout the country, particularly in areas of recent conflict. There is still UXO remaining from the Iran/Iraq war, Desert Storm and Operations Northern and Southern Watch. The types of UXO vary from small projectiles through to large iron bombs. Extra hazards can be associated with these munitions in regard to a biological or chemical filling and the possible use of depleted uranium.

Iraqi defensive doctrine relied on the use of landmines, whether integrated into formal obstacle groups in a conventional manner, or as weapons used indiscriminately.

Post conflict Iraq has revealed a significant problem with Explosive Remnants of War (ERW) including unexploded ordnance, explosive ordnance and mines. The magnitude of the problem in some areas is unprecedented with thousands of individual pieces or hundred of tons marked for removal and destruction. Some types of ordnance, for example cluster bomb units, further compound the problem.

In Baghdad, the UN is assisting the Office of the Coalition Provisional Authority's Emergency Mine Action Team (EMAT) to establish Iraqi Mine Action agencies, these agencies are: the National Mine Action Authority (NMAA), which will be responsible for drafting and implementing Mine Action legislation and policy and funding the programme at a national level; the Iraq Mine Action Center (IMAC) which is the operational arm of the NMAA and is responsible for strategic planning, the annual mine action work plan, the national mine action database, accreditation, quality assurance, budget implementation and operational control of the Regional Mine Action Centers (RMAC); and the Regional Mine Action Centers (RMAC) which will be established for North, Center and South under the IMAC and are responsible for the same functions as the IMAC on a regional level.

In Basra, the mine threat in and around the Southern Iraqi Governorate of Basra is low, as compared to that of unexploded ordnance and explosive ordnance. Although there is emergency mine risk education being delivered in these areas, elements of the population continue to collect copper, brass and aluminum components of unexploded ordnance in spite of the massive risks associated with these activities. The biggest challenge is the safe removal and destruction of numerous munitions depots and munitions caches, including large surface to air missiles, which is being completed in close cooperation the British Forces in the area.

In Northern Iraq, mine clearance, EOD, permanent marking of minefields, surveys, mine risk education and victim support need to continue in the northern governorates.

A capacity assessment of the EOD component of the Dafa Medani Iraq (Iraqi Civil Defence Organisation) continues. A draft concept for a nationwide assessment is being developed, while an initial assessment of the equipment and training needs of Dafa Medani Iraq in the Basra Governorate has been completed and is currently being reviewed. This preliminary assessment will be complemented by further analysis of the capacity development requirements of the Dafa Medani Iraq as a component of the national capacity assessment. A number of Dafa Medani Iraq personnel have been integrated with one of the Swedish Rescue Service Agency EOD teams in Basra. In the same location they have also been receiving and forwarding dangerous area reports, and disseminating mine risk education materials.

An initial assessment has been made of the Iraqi Civil Defence Organisation in the Baghdad area. Plans are being finalized for a more comprehensive assessment that will be initiated as part of the national assessment.

There is a need to develop a victim surveillance system to strengthen the rapid response to vulnerable groups threatened by ERW. The Information Management System for Mine Action (IMSMA) is being populated with victim data and will be utilised to make recommendations for future planning of victim assistance services. A victim surveillance system has also been established through 82 public health centers in the Basra Governorate. The same system is being discussed with the UN for other Iraqi Governorates.

The Mine Risk Education (MRE) program for the Centre and Southern Iraqi Governorates needs to continue and expand in response to the needs in these regions. MRE is currently being delivered to beneficiaries through lectures, dissemination of materials and train the trainer courses.

### ***Challenges***

- There is a need to complete the drafting and implementation of mine action legislation.
- Safe removal and destruction of numerous munitions depots and munitions caches should remain a top priority
- Mine Risk Education needs to be accelerated and expanded.
- Since depleted uranium and other ammunition with radiological/toxic risks has been reportedly used in the same locations, there will be a need for analysis, clean-up and awareness-raising activities.

## LIVELIHOODS and EMPLOYMENT GENERATION

### *Background*

The Iraqi economy had far less resiliency going into the 2003 conflict than it did at the outset of the Gulf War in 1991. Official figures have not been released for many years, but annual per capita GDP is believed to have dropped drastically, on a sustained basis, since 1991, due to a combination of factors including the effect of international sanctions and minimal investment in the country's weakened oil infrastructure. By year 2000, GDP per capita was believed to have fallen to anywhere between US\$500 to US\$700. It is almost certain that the impact of the recent conflict on the employment situation of the country has been negative, though its aftermath does open up new opportunities for long-overdue reforms. That said, the near-absolute dependency on crude oil, together with the still-pervasive presence of the public sector throughout Iraq's economy, represent serious challenges for medium-term reconstruction efforts.

The 1991 Gulf War, and its economic aftermath, had a different impact on each of the country's income groups and regions. The middle class experienced a particularly sharp decline in living standards in line with the fall in the country's oil receipts. Efforts to suppress the uprising in the Shiite areas of southern Iraq had a negative effect on the non-oil economy in that part of the country. Those least able to sustain an economic shock were naturally those who ended up suffering the most: Iraq's poorest were hit in particular by the hyperinflation that resulted after the Gulf War. Annual inflation, which was running at 45% before Iraq invaded Kuwait in 1990, jumped to an estimated average of 500% in 1991. Then, between 1991 and the end of 1995, food prices rose 4,000-fold in nominal terms. Although the government operated a food-rationing programme, its lack of foreign exchange resulted in deliveries of basic foods comprising of fewer calories than the subsequent Oil-for-Food food basket. A financial crisis at the end of 1995 forced it to raise the price of the basic monthly ration almost 50-fold between January and March 1996. The government's acceptance of the terms of the Security Council Resolution 986 (1995) Oil-for-Food Programme in 1996 enabled the resumption of oil exports, allowing for some relief for the country's desperate poor. Nonetheless, the lasting impact on livelihoods was reflected in the country's falling HDI ranking from 96 in 1990 to 126 by 2000.

Throughout the past decade, investment in public infrastructure has been minimal – even though oil-related infrastructure may have been left relatively unscathed by the recent conflict, its productive capacity is, by Iraq's historical standards, weak. Unemployment, which was affected in myriad ways by sanctions, has likely increased significantly not least in view of recent developments in the massive civil service; even many of those with public sector jobs are, for all intents and purposes, unproductive in the economic sense of the term. Indeed, the channeling of resources through the public sector, while important as a means of social stability, has implications for the future insofar as it limits productivity and the flexibility and capacity for job creation.

The absence of reliable information to measure unemployment has made it difficult to comprehensively gauge the current situation. This is all the more reason for an extensive assessment of the employment situation, and identification of the areas of greatest productive potential.

### *Challenges*

- Widespread unemployment is one of the key challenges that need to be addressed. However, this challenge is not only one of producing *more* jobs, which is obviously a

critical prerequisite particularly for recovery in the poorer segments of society. The challenge is also one of producing *better* jobs – better in the sense of more productive, and more representative of the country’s production potential. One of the most problematic characteristics of the pre-war economy was near absolute public control over the economy, with the result being extreme inefficiencies and low productivity. In short, one of the key challenges facing the reconstruction effort in Iraq will be to align the country’s economy, and in particular, its employment structure, to better reflect market forces.

- The above challenge will require a resuscitation and expansion of the private sector, with an assessment of those sectors with the greatest job-creation potential. The challenge is not only logistical or even financial, but attitudinal. The challenge is one of reorienting society’s outlook and understanding of income generation, of changing a mindset cultivated by decades of a virtual command economy. In this regard, measures such as support to small and medium size enterprises must go in hand in hand with large scale industrial consolidation, such that the country’s traditional base of oil production can diffuse both financially and sectorally across a broader swathe of the Iraqi economy.
- The design of a national economic recovery strategy will necessarily be a key step along the path of placing Iraq’s economy on a more diverse, vibrant and sustainable foundation. In this regard, the poor quality and limited availability of relevant micro-economic and employment-related statistics constitute a major challenge. Extensive vocational training, and a revamped education system that can replenish a workforce that has suffered greatly from “brain drain” can be anticipated as priorities in the medium term.
- Expansion of agricultural productivity will result in major job creation. Credit and access to land and agricultural inputs should be a priority consideration for economic diversification, job creation and food security.
- Reintegration of IDPs and returning refugees, as well as the need to employ ex-combatants will necessitate job creation to avoid their economic marginalization.

## MACRO-ECONOMIC DATA

**This section is cross-referenced with the World Bank and IMF paper on macro-economic framework issues. The UN is making available existing data and will continue to work with them on these issues.**

### *Background*

For many years, the government of Iraq has regarded data on national economic performance as a state secret. In some areas, like public finance, the data is practically non-existent. Starting with the Iran-Iraq War, scholarly attention was diverted from economic issues, thus limiting the amount of available economic analysis on Iraq. Recent looting after the fall of Baghdad may have complicated the picture.

As a result, analysis and monitoring of socio-economic development in Iraq has become a difficult task, particularly after 1990. While the Government of Iraq, with the support of some UN agencies carried out surveys and reports in specific areas, such as health, nutrition, and child and maternal mortality, there is a lack of reliable and updated data and information to assess the overall situation of the Iraqi economy.

In addition, the looting after the recent conflict may have destroyed the few sources of economic information available in the country. This unfortunate outcome of the war could limit the capacity of domestic and international agencies in doing sound economic assessments in the short- to medium-term.

### *Challenges*

In the short-term, the UN and the Bretton Woods Institutions have begun to identify gaps and have launched a Watching Brief aimed at bridging the information gap for economic monitoring. The immediate objectives of this project are the following:

- Search, compile and verify macroeconomic and social data and information for Iraq, particularly that addressing the 44 questions included in the joint WB/IMF questionnaire provided to the UN.
- Prepare a Watching Brief on Macroeconomic Indicators for Iraq based on (a), and including additional relevant information that would be collected through the living conditions survey that the UN will launch.
- Support the Iraqi professionals in restoring the statistical databases lost or damaged as a result of the conflict.



## **PUBLIC ADMINISTRATION, RULE OF LAW AND PROTECTION**

### **PUBLIC ADMINISTRATION**

#### ***Background***

The nearly total collapse, in the immediate aftermath of the war, of the entire Iraqi public administration has highlighted the main deficiencies of a system based on a highly centralized structure (both geographically and institutionally) subverted by the security priorities of the previous regime, and affected by twelve years of comprehensive economic sanctions.

The authority structure and the chain of command were essentially pyramidal and concentrated at the Presidency level with very little delegation of decision-making authority to lower ranks, to the exception of the political appointees. As a result, the administrative structures of the ministries were not designed and their cadres trained to undertake independent planning and managerial functions. A heavy bureaucratic referral system, lack of initiative and constant lines of reporting, which included the permanent presence of the security apparatus within the administration, were the main features of the administrative culture.

The situation was similar at the governorate level. Governors were presidential appointees whose mission consisted in implementing Baghdad's directives and in collecting information for Baghdad decision making. Administrative cadres had even less capacity to function independently.

The functioning of the Iraqi administration was also weakened by the isolation the country faced further to the application of sanctions on the country. Due to the degradation of the economic situation and the tightening of the security measures, many of the high-level professionals left the country or the administration, seeking employment opportunities abroad and in the private sector. This has had a direct impact on the administration, which kept losing its best cadres, and on the higher education system, which was not in measure anymore to train and form new administrative cadres.

These two main deficiencies – over-centralization and decreased professional quality – were eventually compounded by the knowledge and technological isolation of the country. No new methodologies were introduced in public management techniques, and the country did a very limited usage of the latest ICT technologies available. The situation was especially problematic at the de-centralized level, which was increasingly derelict in terms of trained professionals, budgets and equipments.

#### ***Challenges***

- In a democratic Iraq, whether federal or unitary, a system of decentralized and delegated decision-making authority will be necessary. A culture of independent thinking, initiative and willingness to assume responsibility will have to be instilled throughout the public administration system. Moreover, to the seventies approach of economic planning, will have to be substituted policies and strategies putting the people at the centre of the country's development plans.

- The strengthening of local government institutions is of utmost urgency. The building up of their capacity as well as their interface with traditional structures, i.e. the religious and tribal groups will be essential to re-establish trust and cooperation between public institutions and the population. This is particularly important in view of the need to quickly resume the provision of essential services at all levels.
- Previous archaic and bureaucratic administrative and financial procedures will have to be replaced by modern management techniques, making full use of ICT latest advances. The administrative training will need to be entirely overhauled to introduce these techniques in a swift manner.
- The lack of reliable statistics was always a major problem in Iraq. This situation is now dramatically worsened with the destruction of administrative buildings, documents, records and statistics.
- Although not feasible in the immediate reconstruction phase, a thorough reform of the civil service is required. Its size must be adjusted to the actual requirements; personnel policies and salary scales must be revised.
- Iraq's large and public enterprise sector will also need to be dealt with. They completely dominate the industrial, construction and irrigation sectors. Their obsolete organizational structures, centralized and bureaucratic decision-making processes, outdated technical, managerial and administrative skills and knowledge and bloated staffing structures have made these public enterprises highly inefficient. It is understood that the intention is to privatise most, if not all, of them. However for privatisation to be successful, serious restructuring of these enterprises will have to be carried out.
- The issue of widespread corruption also needs to be addressed as full transparency and accountability must be at the core of the new administrative and financial procedures.

## **RULE OF LAW**

### ***Background***

Although the previous regime had adopted a modern structure for the judiciary, and despite a corpus of progressive and non-discriminatory laws and decrees, the legal and justice system has been modeled, particularly since the regime change in 1968, to primarily serve the central authority and secure its domination.

Security concerns and politics very quickly invaded the structure, discriminatory laws and decrees were introduced, and any attempt from university scholars and lawyers was suppressed. Because of the lack of fundamental freedom, many lawyers, who were not able to conduct their work efficiently, were forced to leave the system and, very often, the country, thus contributing to further decrease the quality and neutrality of the judiciary.

During the eighties, the main function of the legal system was to bolster the existing power relations through legitimization and clientelism, as highlighted in the reinstatement of the tribal justice in the country in 1989.

The judiciary moreover suffered from lack of access to legal material and has not been modernized, and a widespread corruption has attained every level of the structure.

A fundamental reform of the entire legal and judicial system is thus required.

### **Challenges**

- **Support to Justice Reform.** This would entail a consensus-based review of (i) current legislation, (ii) geographic areas where the justice system is weak or nonexistent, (iii) judicial training and legal education, (iv) coordination between the police and the prosecutors, (v) national penitentiary system. The review would require (i) quantification and qualification of human resources required to run a reformed judicial system, (ii) identification of means to increase the knowledge of the people about their rights and improve their access to justice (iii) use of the new technologies in the judicial environment and (iv) design of administrative and management systems. Specific focus would be needed on judicial training in order for the new judges to be trained on human rights issues and new methodologies. The police, prisons, courts and reinvigoration and reform within the justice system are essential ingredients for an effective legal system and well-being of society.
- **Property rights.** The capacity of local leaders needs to be strengthened to ensure the efficient management of land and housing for the urban poor especially women and other vulnerable groups. Training on a number of issues will need to be carried out on different forms of tenure and property transfer practices, land and housing market characteristics, forced evictions, equal access to housing credit for urban poor, women's equal participation in decision making, and regularization practices of informal land/settlements. In particular, for current property rights disputes an urgent review of the existing property titles needs to be conducted and a policy paper need to be prepared and agreed upon by a multiplicity of partners, in order to inform the adjudication process and limit the risk of future conflicts.
- **Public safety.** To control urban violence, integrated measures need to be promoted that focus on criminal justice, prevention of violence, negotiation/mediation of peaceful conflict resolution, legal enforcement of human rights, rebuilding social capital by stimulating self esteem and a sense of responsibility within local communities.

## **REFUGEE PROTECTION, RETURN AND REINTEGRATION**

### **Background**

There are between 3 to 4 million Iraqis living abroad and these include:

- More than 400,000 recognised Iraqi refugees, scattered in more than 40 countries (the vast majority are living in Iran, Jordan, Syria, and Western Europe)
- Some 84,000 Iraqi asylum-seekers world-wide
- Some 450,000 Iraqis illegally staying abroad, undocumented and in vulnerable conditions
- Up to 200,000 persons of the above categories may return in the initial period up to the end of 2003.
- In addition, there are some 117,000 recognised refugees in Iraq consisting 80,000 Palestinians, 6,500 Iranian Arabs, 15,500 Iranian Kurds, 13,500 Turkish Kurds and 1,600 others, the majority of whom will continue to seek asylum in Iraq during 2003.

The situation is further complicated by: the destruction of infrastructure and lack of basic services; the lack of functioning administration resulting in delays in re-installing law and order; the destruction of documents and records of citizenship, residence registration, birth,

deaths; and the fact that much housing has been occupied, destroyed or damaged, as well as destruction of property registers.

### **Challenges**

- There is a need to identify gaps in existing domestic legislation and/or customary law. Counselling opportunities through community-based activities and legal aid centers will be required and assistance to refugees and returnees and longer-term reintegration needs to be included in national reconstruction programmes.
- Capacity building of relevant institutions will need to be carried out, to promote treatment of returnees in accordance with human rights standards. There is a need to organize mass information campaigns at national and local level to inform returnees of their rights and obligations, and appeal for an orderly re-integration process. "Community assessments" in areas of return will need to be carried out, advocating for necessary legislation and property restitution and/or compensation procedures, elaborating a common definition of the reintegration package for both refugees and IDPs, providing relief and rehabilitation assistance to those not seeking to return, their host communities, and the IDPs in need of emergency assistance.
- The sustainability of return of refugees and internally displaced persons, and the continued protection of refugees in Iraq, will depend on several factors, including the political and socio-economic context.
- The post-conflict situation in Iraq is expected to involve many humanitarian, political and military actors and a network of bilateral and multilateral level agreements. There will be a need to: integrate programmes between the major actors on the ground; ensure that the needs of refugees, returnees are incorporated in transition, recovery and development plans; and develop partnerships with relevant local institutions, UN agencies, NGOs and other bilateral and multilateral bodies empower local authorities to take ownership of return, reintegration, rehabilitation and to facilitate delivery of basic infrastructure and services.

## **CHILD PROTECTION**

### **Background**

Issues of child protection have increased in magnitude and in complexity, and there has been a substantial increase in the number of children needing protection (children with disabilities, street children, and working children, children in conflict with the law and orphaned children). Children, boys as well as girls, aged between 6 and 15 years, were increasingly becoming exposed to delinquency. Data on these children has been difficult to obtain.

Existing laws have not been revised or modified. Outdated systems of rehabilitation and care prevail. Children deprived of family support and abandoned are often institutionalised and live in harsh conditions.

The Ministry of Labour and Social Affairs (MOLSA) is the Government organ responsible for children in need of special protection. At the sub-national level, in the Governorates, Departments of MOLSA are responsible for the management of the rehabilitation homes and schools for these children. The phenomenon of children in need of special protection is one that will need to be addressed in the future.

War casualties, the alarming poverty and unemployment rates, mines and UXOs are expected to result in significant expansion in the number of orphans, working children, abandoned children, children in the streets, children in conflict with the law, and children with physical disabilities and emotional and psychological disorders.

In general, the administrative structure of the Ministry of Labour and Social Affairs has collapsed and has not been operational since the conflict. Schools were closed for about two months and many orphanages and schools for disabled children were systematically looted of their supplies and equipment when the physical conditions of these institutions were already quite poor to start with. Children in conflict with the law who were held in institutions or reformatories have been let go, probably ending up in the streets with no support.

The post-conflict rapid assessment on the situation of children in MOLSA's institutions in the centre/south of Iraq has shown that the children and the staff of the institutions suffered much more from looting and insecurity than from the conflict itself. The assessment has shown that 20 out of 29 residential institutions were completely looted and some also burned. In some cases, the institutions have been taken over by families claiming to be IDPs, which left the children with nowhere to go. It is estimated that 13 institutions are still closed, two institutions in Kirkuk reopened but children did not return back, 11 institutions are operating with an average of only 44% of their original number of children, and only 4 institutions are operating with full number of children. As assessed, the priorities in these institutions are security and provision of food and basic equipment. The collapse of the Ministry of Social Services has meant a lack of funds to cover the basic needs of the children as well as salaries to the staff, who so far, have only received an emergency allowance of US\$ 7.

While recognizing that these institutions are not ideal places for children, even for those with no family willing or able to take them in, the major concern is that these children are now living on the street at risk of exploitation and abuse, including sexual. There is a visible increase in the number of street and working children in urban centres such as Baghdad, especially near big hotels, religious places and commercial centres. The capacity of government services to cope with these problems is almost non-existent and will likely be very limited for the foreseeable future.

### **Challenges**

- Implementing the provisions of the revised Juvenile Care Law, training of judges and police and social workers, and alternative measures and social services for children in conflict with the law need to be developed. Development of a national system and set of services for the early detection of disabilities in children by 2005.
- Setting up programmes and services within the justice system for the alternative sentencing of children in conflict with the law by 2005.
- Establish family-based support services for children deprived of parental care.
- Develop community-based mechanisms for the protection and support of street children in all major urban areas of the country.
- Establish programmes that ensure smooth and rapid integration of street children and children in conflict with the law into society
- Establish programmes and services for the support and treatment traumatised children.
- Reforming the administrative structure of the system to be more consistent with the new paradigms and approaches employed to address child protection issues.
- Conducting an intensive capacity building programme to provide staff with the proper skills and orientation on the modern paradigms of child protection.
- Revitalising/reactivating the MIS on child protection issues to fill the wide gap in knowledge on conditions of children in need of the different types of protection.

## ANNEX 1 – Country Statistics

### IRAQ - Facts at a glance

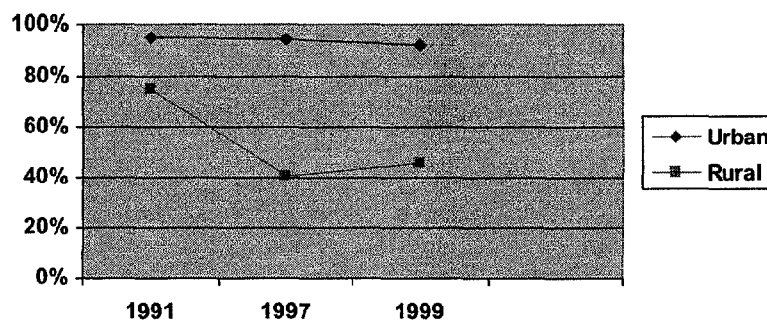
Total surface area	437,072 km <sup>2</sup>	Urban population	67.5%
Total population	27 million (2002)	Rural population	32.5%
Population growth	2.0%		

Indicator	1990	1998-2000*
Iraq Human Development Indicator (HDI) Ranking (out of 174 countries)	91	126 (2000) <sup>1</sup>
Iraq HDI	---	0.58 (1998) <sup>1</sup>
Average Arab HDI	---	0.64 (1998) <sup>1</sup>
GDP per capita	US\$3181	USD\$1300 (2000) <sup>1</sup>
Average life expectancy	61	61 (2000) <sup>2</sup>
Literacy Rate <sup>1</sup>	1985 89%	1998 73.5%

<sup>1</sup> UNDP Human Development Report 2000, UNDP Arab Human Development Report

<sup>2</sup> WHO World Health Report 2001

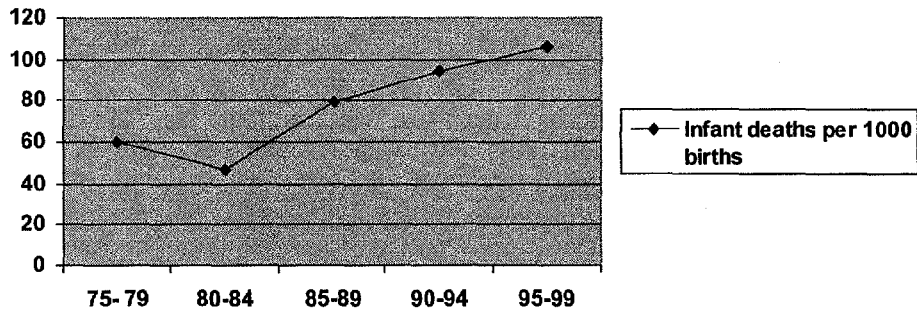
### Access to potable water



\*GOI-UNICEF 2000

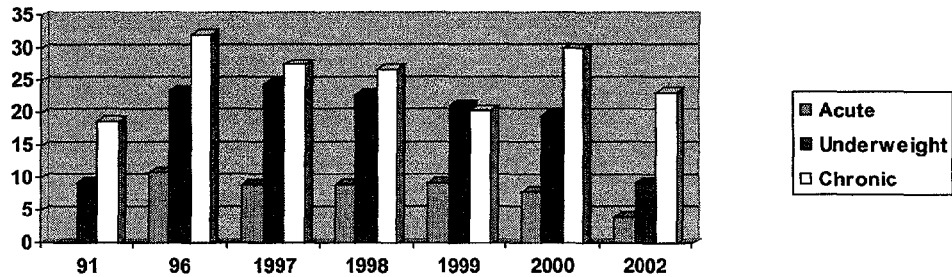
\* Figures are for the most current year available for the period between 1998, 1999, or 2000.

**Infant Mortality Rates**



\*Salman, Khawla Naji and Al-Dulaymi, Aiayd, Child and maternal Mortality Survey Iraq 1999, Ministry of Health Iraq and UNICEF, mimeograph.

**Malnutrition trends**



\* GOI-UNICEF 2000

**Primary School Attendance Rate**

	Total	Boys	Girls	Urban	Poor
Net Attendance Rate	76.3	82.5	69.8	83.8	63.0
Entrants reaching Grade 5	88.3	92.2	83.6	89.8	83.5

\* UNICEF Multiple Indicator Cluster Survey 2000

## ANNEX 2 - Members of the United Nations Development Group

1. UNDP – United Nations Development Programme\*
2. UNICEF – United Nations Children’s Fund\*
3. UNFPA – United Nations Population Fund\*
4. WFP – World Food Programme\*
5. UNIFEM – United Nations Development Fund for Women
6. UNOPS – United Nations Office for Project Services
7. UNAIDS – Joint United Nations Programme on HIV/AIDS
8. UN Habitat – United Nations Human Settlements Programme
9. ODCCP – United Nations Office for Drug Control and Crime Prevention
10. WHO – World Health Organization
11. DESA – Department of Economic and Social Affairs
12. OHCHR – Office of the United Nations High Commissioner for Human Rights
13. IFAD – International Fund for Agricultural Development
14. UNCTAD – United Nations Conference on Trade and Development
15. UNESCO – United Nations Educational, Scientific and Cultural Organization
16. FAO – Food and Agriculture Organization of the United Nations
17. UNIDO – United Nations Industrial Development Organization
18. ILO – International Labour Organization
19. UNDPI – United Nations Department of Public Information
20. Regional Commissions
21. OHRLLS – Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing Countries
22. SRSGCAC – Special Representative of the Secretary-General for Children in Armed Conflict
23. UNEP – United Nations Environment Programme
24. UNHCR – United Nations High Commissioner for Refugees
25. Office of USG - Special Advisor on Africa
26. World Bank\*\*
27. UNFIP – United Nations Fund for International Partnerships\*\*
28. OCHA – Office for the Coordination of Humanitarian Affairs\*\*
29. Spokesman for the Secretary-General\*\*
30. Director, Office of the Deputy Secretary General\*\*

\*Executive Committee

\*\* Observer status