

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: PIDA27231

<b>Project Name</b>	Emergency Operation for Development (P155732)
<b>Region</b>	MIDDLE EAST AND NORTH AFRICA
<b>Country</b>	Iraq
<b>Sector(s)</b>	Health (12%), Transmission and Distribution of Electricity (21%), Rural and Inter-Urban Roads and Highways (45%), Sanitation (8%), Water supply (14%)
<b>Theme(s)</b>	Regional integration (20%), Health system performance (12%), Urban services and housing for the poor (8%), Other urban development (10%), City-wide Infrastructure and Service Delivery (50%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P155732
<b>Borrower(s)</b>	Republic of Iraq
<b>Implementing Agency</b>	Ministry of Municipalities and Public Works, Ministry of Health, Ministry of Electricity, Ministry of Construction and Housing, Reconstruction Fund for Areas Affected by Terroristic Operations
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	23-Jun-2015
<b>Date PID Approved/Disclosed</b>	23-Jun-2015
<b>Estimated Date of Appraisal Completion</b>	08-Jun-2015
<b>Estimated Date of Board Approval</b>	07-Jul-2015
<b>Appraisal Review Decision (from Decision Note)</b>	<ul style="list-style-type: none"> <li>• The meeting confirmed overall High risk rating of the project.</li> <li>• The project was confirmed as Environmental Category B.</li> <li>• The team was authorized to proceed with project appraisal and technical discussions with the client.</li> <li>• The Board presentation of the project is scheduled for July 7, 2015.</li> </ul>

**I. Project Context****Country Context****I. RATIONALE AND DRIVERS FOR THIS OPERATION**

The Emergency Operation for Development charts new ways for the World Bank to engage in fragile, conflict and violent environments, with a higher than usual level of risk tolerance and

capacity to cope with setbacks. This operation will be underpinned by the following considerations, which are developed further in the document:

(a) the emergency dimension needs to be understood both as a need to move fast - through rehabilitation of destroyed and damaged infrastructure and the delivery of basic services - in redressing a man-made disaster that has caused the flight of large numbers of civilians from their homes, and as a need to immediately show - with strategic messaging and presence on the ground - that the State is reestablishing its presence and credibility;

(b) the development dimension underlines the medium and longer term objective of this operation, which is not to be construed as a “short term relief” proposition, but rather as a combination of short, medium and long term engagements with a view to building resilience and sustainability out of the ashes of conflict;

(c) adaptability to fluctuating realities on the ground will be a key determinant for success. The situation on the ground is unpredictable, unstable and full of uncertainties. This is true in terms of the needs, the return of internally displaced people (IDPs), the capacity to reconstruct and rebuild fast as well as the new areas, cities and municipalities that could be in need for urgent help. By the same token, there will be a need to be realistic, selective and not to overstretch commitments. Hence, for the purposes of this project, these were the eligibility criteria applied to identify the seven targeted municipalities (the Project Area). The project is explicitly intended to be flexible and scalable, but neither the selection criteria nor project design features, should be interpreted as inviting an open-ended engagement. Any additional areas proposed for inclusion will need to meet the same selection criteria, will be separately appraised and will need to be supported through additional financial resources. Given the highly volatile operating context, it is also possible that conditions on the ground change delaying or excluding implementation in one or more of the targeted municipalities.

(d) the current Iraq Performance and Learning Review (PLR) significantly adds to the design of this operation. In relation to the rapidly evolving environment and the adaptability of the Bank’s engagement in Iraq, the PLR has integrated the need to fully absorb the dynamic circumstances on the ground and the need for quick reaction to address new needs. This operation is an example of such flexibility and rapid response. Key elements of such an operation, are: to be in a position to closely monitor implementation, ‘hand-hold’ throughout the project, to be ready to refocus and restructure as circumstances change, and last but not least, to ensure that project design is as simple as conditions allow.

(e) Citizen Engagement (CE) and communication will be intertwined and strategically sequenced. This operation is highly visible with significant inherent risks that need to be mitigated in a proactive manner by: (i) an upstream awareness raising campaign mobilized to explain the project, its objectives, its ambition and its limits. Such an initiative will give hope and signal the intent of the State to expand its presence and reestablish trust and legitimacy with citizens as well as manage expectations; and (ii) a strong inclusive interaction with citizens, sensitizing them to the benefits they will be receiving as well as providing the means to monitor the fairness and the transparency of the rebuilding process. It is intended that such an initiative will strengthen beneficiary feedback mechanisms such as the establishment of a grievance redress mechanism and giving effective voice to citizens’ concerns and queries. This will provide the Bank and the Government of Iraq (GoI) with a reliable, real time, system check, and an early warning mechanism so as to discourage corrupt practices, ease social tensions and promote participation and inclusion. The CE and communication dimension will be an intrinsic part of the project and as such has earmarked funding with clear assignment of responsibilities. Ultimately, project success will depend to a significant degree on the Government’s ability to engage effectively with its citizens.

(f) Coordination with the United Nations (UN) system and partners will also be an integral

dimension of project implementation. The UN and a number of countries have engaged in a stabilization effort in a number of the same areas covered by the project. While the financing is still rather modest at this stage, there are substantial opportunities for complementary financing and collaboration with development partners, not least in areas such as rubble removal and demining.

## II. STRATEGIC CONTEXT

### A. Country Context

Iraq is a pivotal country in the Middle East region and has through the years tilted the course of events in a troubled part of the world. Preserving its federal unity has been and still is one major concern for the international community. Reflecting widely-held perceptions that the previous administration had engaged in divisive, sectarian politics, Iraq has come close to the abyss. The new, broad-based and largely inclusive government formed by Prime Minister Haydar Abadi is widely considered as a chance for Iraq's integrity and for the region's stability. The fragility of Iraq's polity and its potential fragmentation are under acute observation by all stakeholders, both internationally and within the country.

Today, Iraq is possibly going through the worst and most dangerous challenge to its territorial integrity, economic sustainability and human development capacity. The security threat of Islamic State of Iraq and Syria (ISIS) combined with the dramatic plunge in oil prices and a less than optimal functioning of State institutions, only now slowly and incrementally being restored by the Prime Minister Haydar Abadi, has hit Iraq's economic growth, is affecting its economic and humanitarian outcomes and is eroding State credibility and presence across the country. With the conflict against ISIS and the struggle to restore some degree of fiscal sustainability, there is a pressing need for the GoI and for the international community to take the full measure of this dual challenge of restoring State credibility with its citizens and promoting economic stability. Iraq has a number of assets to boast, including its formidable crude-oil producing capacity and reserves.

Iraq represents a vivid example of the challenges of engaging simultaneously in situations characterized as "in-conflict", "post conflict" and "pre-conflict". Significant parts of the north-west area are in open war between the State and ISIS. A growing swath of Iraq can be considered as post-conflict, relatively stable but nonetheless affected by periods of low intensity violence, while the area south of Baghdad, all the way to the port city of Basra, is relatively calm and secure, but could be drawn into unrest at any time.

The prevailing insecurity in large swaths of the country's north and west, has seriously hampered trade and investment, and disrupted northern oil exports. The economy contracted by 0.5 percent in 2014, from 4.2 percent growth in 2013. Since the start of the conflict, non-oil Gross Domestic Product (GDP) growth declined by 5.2 percent in 2014 due to the destruction of infrastructure, impeded access to fuel and electricity, low business confidence, and disruption of trade. As of June 2014, Iraq was running a fiscal deficit in spite of somewhat restrained spending in the absence of an approved budget for 2014. Rising security expenditures coupled with a large public sector payroll, and costs of transfer and subsidies are squeezing the fiscal space. Iraq has the fifth largest proven crude oil reserves in the world, and it is the second-largest crude oil producer of the Organization of the Petroleum Exporting Countries (OPEC) (3.4 million barrels per day). However, with the oil price having fallen by 60 percent since June 2014, revenues have fallen by nearly as much. Consequently, current revenues are not sufficient to cover the public sector payroll, transfers, and

payments to oil companies, let alone investment and reconstruction. In practice, the government is running a cash-rationed budget with payments to workers and contractors spread out while security spending takes priority. Financing from the Central Bank (with associated depletion of reserves) and high issuance of short-term treasury bills have covered the financing gap for critical services and some payments to oil companies.

The cumulative effect of Iraq's conflict and isolation since 1990 has been a drastic worsening in human development outcomes throughout the country, with the exception of the Kurdistan region. In the last two decades, Iraq has witnessed a dramatic fall in almost all human development indicators including poverty, public services, health standards, life expectancy, and literacy. Although the post-2003 era saw the end of sanctions, civil war and insurgency continued to undermine service delivery, and there have been numerous waves of internal displacement. The result is that most health and education indicators are at dire levels. Phenomena not normally characteristic of an upper-middle income country, such as stunting, illiteracy and lack of sustainable access to basic public infrastructure and services like sanitation and electricity are rife in Iraq. Extreme poverty is widespread, particularly in rural areas and a number of governorates. In 2012, a fifth of the population lived on less than USD 2 a day (2005 PPP), and 70 percent on less than USD 4 a day. Rural poverty is considerably higher than urban poverty where 30.6 percent of the rural population lives below the national poverty line compared to 14.8 percent of the urban population.

The recent and dramatically fast ISIS insurgency represents both a "rude awakening" and a historic "trust-building" opportunity for the GoI. The ISIS insurgency revealed the profound limitations of a government widely perceived as pursuing a sectarian agenda. The new Prime Minister seized the opportunity to bring together a wider coalition with representatives drawn from across the political spectrum and this has resulted in a greater measure of political inclusion, albeit remaining extremely fragile. It offered a platform for the Prime Minister to move on a broad, more solid and consensual coalition, including all walks of the Iraqi political spectrum. It also allowed for a more determined, albeit extremely fragile, resistance against the territorial gains made by ISIS over the past months. Rebuilding the liberated areas by starting with communities in two governorates (Salah Ad-Din and Diyala) and addressing the prevailing social inequalities in those regions remain a priority to the Iraqi Government which believes that the process of recovery is a common challenge and a shared responsibility involving the government itself, the local population and the international community. The reconstruction efforts' success will help consolidate political stability and social cohesion in the region, while enhancing government credibility.

From Stabilization towards Reconstruction and Development: This operation is intended to support the GoI in meeting the dual challenge of reconstructing and restoring services to liberated municipal areas while laying the foundations for longer-term development. With the aim of promoting national reconciliation and unity in Iraq, the World Bank (hereafter "Bank") along with other donor partners is supporting GoI develop a post-conflict reconstruction framework addressing issues such as security, political reconciliation, justice, human rights and economic and social reconstruction. GoI has adopted a two-pronged approach towards addressing the post-conflict needs of the areas recently liberated from the control of ISIS. First, GoI plans to create the conditions for stabilization and security for the returning population within the first 90 days of liberation. Second, it plans to create incentives to expedite the return of IDPs by jumpstarting the reconstruction of the conflict-affected areas and restoring service provision to its population. In parallel to the above, the Bank will also provide technical assistance (TA) to GoI aimed at formulating a development framework for the targeted areas and will in the medium to long term support the institutionalization and

financing of a Reconstruction Fund for the liberated areas. Such activity will provide a deeper understanding of the underlying drivers of regional disparities and will analyze past and present challenges (political, economic and sectoral) and their relationship to national divergence and conflict dynamics. This will also identify the right mix of policies as well as catalytic and transformational initiatives that would leverage government and donor funds for enhancing employment, economic opportunities and political inclusion. Through it all, there will be a strong effort to communicate with the potential beneficiaries, and to engage citizens in the projects and in the overall development strategy. This will be crucial as the government is moving forward in a fluid and uncertain context where citizens' ownership and participation will constitute the cement of the operation and will determine its success.

The proposed Emergency Operation for Development for Iraq is designed to complement the government's stabilization efforts with the immediate implementation of reconstruction and rehabilitation of priority infrastructure subprojects to restore the delivery of public services in the Project Area. Under this Project, Bank support will promote inclusive recovery and reconstruction processes through a three-layered approach consisting of: (i) creation of an enabling environment for the recovery and reconstruction of the liberated areas, (ii) effective and timely implementation of the recovery and reconstruction activities, and (iii) the formulation and financing of an integrated and coherent regional development framework for the liberated areas. This would involve, among others, the identification of investment subprojects in the electricity, water, transport, urban and health sectors (additional sectors such as education could be added in time), all managed and implemented through flexible governance mechanisms, fit for the purpose of each of the selected areas. Such subprojects targeting the conflict-affected areas will be aligned with the ongoing sector dialogue and will build on the Bank-funded investment pipeline.

## B. SITUATION OF URGENT NEED OF ASSISTANCE OR CAPACITY CONSTRAINTS

The breakdown in the provision of basic infrastructure and public and social services has been devastating for the entire population in the seven municipalities that will be supported through the Project. The Project will be flexible in its design to allow for additional areas to be brought within its scope: subject to fulfilling the basic selection criteria, being appraised individually and funded with additional resources. The government's recovery strategy is to jumpstart the delivery of basic infrastructure and services and rehabilitate critical infrastructure in the areas liberated from the insurgency. This would be one of the first steps in ensuring trust-building and reconciliation associated with the return of state officials. Significant social tensions may exist among resident populations that have been exposed to the civil unrest and violence, and a return of the state following prolonged absence could risk exacerbating these tensions unless accompanied by participatory processes that can increase accountability. This project will have a particular focus on urban liberated areas, where it is necessary to rebuild basic infrastructure, public and social services. Indirectly, the project may contribute to the restoration of peace and security, promotion of trust, national reconciliation, and the demonstration of a positive state presence, in addition to, helping facilitate the return of IDPs.

The Bank's engagement through the Project is aimed at assisting the GoI to reconstruct critical parts of the devastated infrastructure to allow the return of displaced citizens to their homes and cities. The Project will be instrumental in reviving local economies and reintegrating them with the rest of the country by restoring vital transport links. It will support the improvement of living conditions in the selected municipalities by restoring and expanding bulk water supply, sanitation,

transportation, electricity services, solid waste management and rubble removal, as well as assisting individual households with the repair and reconstruction of their homes and providing assistance in re-establishing basic health care services.

The Bank's involvement is compelling given its comparative advantage in preparing and financing major emergency projects worldwide, and its knowledge, skills and experience in the infrastructure sectors. The Bank already finances ongoing projects in the transport, electricity and water sectors and will utilize existing knowledge and networks to assist with the rapid deployment of this Project. The Bank's experience and skills in dealing with emergency situations across the world is equally important for the restoration of basic services for local government in the seven cities, and for ensuring that such investments are carried out in ways that: promote the trust-building and reconciliation process; reduce social tensions; and, promote state-building. Furthermore, the Bank's involvement is critical given that no other major donor is currently planning to invest significant funds in the rehabilitation and reconstruction of the identified infrastructure and service sectors.

This Project will be processed under Operational Policy (OP) 2.30 (Development Cooperation and Conflict). The proposed operation is prepared under paragraph 12 (Situations of Urgent Need of Assistance) of OP 10.00 (Investment Project Financing) and benefits from condensed procedures, deferral of environmental and social requirements, and streamlined fiduciary procedures.

### **Sectoral and institutional Context**

#### **B. SECTORAL AND INSTITUTIONAL CONTEXT**

The recent ISIS-created regional conflict has resulted in a humanitarian crisis with the internal displacement of 2.1 million Iraqis and destruction of infrastructure and services in the former ISIS occupied areas. More than 60 percent of the displaced people are hosted in the Kurdistan Regional Government (KRG) areas. They are, as is the case for others who reside elsewhere in Iraq, living in local communities unassisted by humanitarian relief. They place an enormous strain on the local economy and access to public services. The U.N. Office for the Coordination of Humanitarian Affairs estimates about 5.2 million people are in need of humanitarian assistance including food, shelter, clean water, sanitation services, and education support. Food and rent prices are increasing, especially in the northern governorates that are hosting a large share of Syrian refugees and Iraqi IDPs. Further, unemployment is high and is expected to increase due to conflict and displacement. While unemployment was officially estimated at 11 percent in 2011, actual levels, particularly among the youth, are now likely to be considerably higher. Labor market participation remains exceedingly low for women with only 15 percent of Iraqi women of working age participating in the labor force. The scale and speed of the displacement as a result of the ISIS insurgency and the Syrian conflict make it challenging for the government to deliver quality services, especially in the newly liberated areas where the infrastructure destruction is most severe.

While Iraq's economy was already seeing supply side strains in public service delivery prior to the crisis, Iraq's current security and fiscal situation has affected the government's capability to provide adequate quality service. While data on the current context in the north is limited, the occupation has caused infrastructure damage and looting. Of particular concern is the State's inability to deliver access to clean water, electricity, solid waste removal and the delivery of basic municipal services. In addition to the damage on infrastructure, delivery of basic municipal amenities is unreliable due to the lack of fuel, electricity, spare parts and chemicals. Transport and trade

facilities have also been impacted with much of the equipment and vehicles used by customs to facilitate movements along key transit corridors stolen or vandalized. High/medium/low voltage transmission and distribution infrastructure has also been damaged or remain partially dysfunctional due primarily to lack of routine maintenance. New projects will need to be put in place to address the vulnerabilities created by previous wars and the current crisis. In the immediate future, however, there is a need for an urgent intervention to reconstruct and restore service delivery of piped water, sewage, solid waste removal and electricity, as well as assist with technical assistance for a housing subsidy scheme and roads and bridges and basic health services. The conflict has also badly affected the legitimacy and capacity of public institutions (local government buildings and services) throughout the affected areas to deliver even minimum levels of outputs to the citizens. Prior to the conflict with ISIS, levels of trust between public institutions and communities were already strained, and the inability of the State to both protect and respond to the affected populations during the crisis further exacerbates this situation.

The government has made strenuous efforts to deliver salaries, transfers, and Public Distribution System (PDS) rations to the new wave of internally displaced people. These efforts are managed by the Projects Center at the General Secretariat of the Council of Ministers (GSCOM). Methods include seeking to provide alternative access to bank accounts such that benefits can be received and that direct cash payments, ad hoc food drops, and reallocation of the PDS supplies correspond to patterns of demand caused by dislocation. In addition, there appear to be de facto restrictions on movement of IDPs (e.g. of Sunni Arabs into KRG and Baghdad and on their return to liberated areas) which may be impacting their ability to access critical services.

The Project will focus on seven targeted municipalities/cities in two governorates including the cities of Tikrit, Dour, Al Dalooeyya and Al-Alam in the Salah ad-Din governorate and Jalula, As-Sadiya and Al-AAzeem in the Diyala governorate (the Project Area). In addition to being the largest cities that have been retaken from ISIS in terms of population, the cities have been selected according to the following criteria: (a) experience of significant infrastructure damage; (b) loss of basic resources (water, and electricity); (c) exodus of large groups of refugees; (d) their prominence as administrative and socio-economic poles in the two governorates, and (e) they have the most relatively stable security. Further, the selection of the seven municipalities was made against a complex political backdrop. This includes the absence of a political reconciliation process, uncertainty about citizen inclusiveness and participation, the risk of renewed conflict, and a lack of a comprehensive reconstruction project funded by GoI.

## **II. Proposed Development Objectives**

The Project is to support the Republic of Iraq in the reconstruction of damaged infrastructure and the restoration of public services delivery in Targeted Municipal Areas.

## **III. Project Description**

### **Component Name**

Restoring Electricity Infrastructure and Connectivity

### **Comments (optional)**

Support through the acquisition of equipment for the reconstruction of damaged electricity distribution and transmission infrastructure in the selected municipal areas.

### **Component Name**

Restoring Solid Waste, Water and Sanitation Services

**Comments (optional)**

Support the repair, reconstruction and rehabilitation of existing water, wastewater, storm water and solid waste infrastructure (such as water intake, transmission lines, treatment plants, pumping stations, storage tanks, distribution networks, house connections, sewers and trunk lines, wastewater treatment plants, storm water drains).

**Component Name**

Restoring Transport Infrastructure and Developing a Housing Reconstruction Subsidy Scheme

**Comments (optional)**

Support the restoration of functional capacity of the road assets, i.e. to restore normal and safe traffic operations. In addition, the proposed civil works on roads and bridges would generate local employment opportunities. The work will be conducted in coordination with rubble removal and will include road structure repairs (mainly pavement, bridge decks, abutments and poles), but also shoulder stabilization, approaches to bridges, road safety signalization and equipment, and drainage repairs.

The project will also support the GoI in designing of a Housing Reconstruction Subsidy Scheme.

**Component Name**

Restoring Health Services

**Comments (optional)**

Support the improved of the delivery of essential health care services in selected municipalities to serve the urgent health needs of the Iraqi population. As such, this component will respond to the most urgent health needs through the acquisition of mobile hospitals, mobile clinics, medical equipment and ambulances in selected areas.

**Component Name**

Technical Assistance

**Comments (optional)**

Support: (i) urban development and strategic investment master plans for selected municipalities and the carrying of related public consultation and awareness programs; and integrated solid waste management plans and designs; (ii) of railway infrastructure rehabilitation and safety improvements plans and designs; and (iii) a pilot for the planning and design of infrastructure development at the governorate level; (iii) state/citizen trust-building and promoting reconciliation schemes and initiatives; (iv) broader assistance strategy for the reconstruction and sustainable management of physical cultural resources; (v) health sector needs assessment and development of a mid- to long-term health care services master plan.

**Component Name**

Project Management, Sensitization and Monitoring and Evaluation

**Comments (optional)**

Support the costs associated with the management and coordination of the Project, including the creation and maintenance of a monitoring evaluation (M&E) system.

**IV. Financing (in USD Million)**

Total Project Cost:	350.00	Total Bank Financing:	350.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>



Borrower	0.00
International Bank for Reconstruction and Development	350.00
Total	350.00

## V. Implementation

### A. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

Institutional and implementation arrangements are designed to ensure maximum ownership of the project by GoI, while maintaining an appropriate balance between ensuring rapid delivery and effective execution of the project. The overall responsibility for Project coordination lies with Iraqi Council of Ministers through a Project Coordination Unit (PCU) under the Reconstruction Fund for Areas Affected by Terroristic Operations. In turn Project Management Teams (PMTs) established within counterpart Ministries will be responsible for sectoral (energy, transport, water and sanitation, municipal solid waste management, housing, health) project implementation. During implementation, additional sectors may be added to the Project, subject to these fulfilling the basic selection criteria. Moreover, in such cases the Project would be restructured, as needed, to accommodate these additional sectors. Furthermore, it is possible, that additional ministries and PMTs would be added to the overall implementation structure. At each of the municipalities (project sites), the PMTs will be supported by Technical staff from the Ministries' regional offices. The proposed management structure for the project takes into consideration the difficult security conditions and weak implementation capacity by incorporating the lessons learned during implementation of ongoing Bank-financed projects. The structure constitutes the PMT model albeit in an expanded form with staff seconded from various Government Ministries and Departments.

The identification and prioritization of subprojects will be undertaken at the individual Ministry level with the PMTs tasked with the responsibility for the planning and implementation of activities pertaining to their jurisdiction and the day-to-day follow up which includes procurement, financial and safeguards management, supervision, quality control, reporting and administration of project funds. To identify and prioritize the subprojects, the Ministries and their PMTs will coordinate closely with the local Governorate staff and authorities, to ensure the identified subprojects are in line with local expectations. Making payments to suppliers, consultants and contractors, and ensuring that funds are disbursed according to Bank guidelines and procedures will also be the responsibility of the PMT. The PMTs will prepare quarterly reports to be submitted to the PCU under the Reconstruction Fund. The PCU will monitor the overall implementation progress, consolidate the sectoral reports and submit to the Bank.

The PMTs are to be staffed with qualified and experienced specialists to oversee the implementation of their relevant sectoral projects in accordance with Bank guidelines and procedures including engineers, environmental and social safeguards, financial management and procurement specialists as well as to perform the required technical functions and to serve as the focal points for communication with the Bank, contractors and consultants. The PMTs will be responsible for preparing the Terms of Reference and contracting specialized consulting supervision and technical assistance consulting firms (e.g. as Client's Engineer / Resident Engineer), financed under the IBRD Loan, to provide them with support, guidance and training during project implementation, as well as to supervise contractors' and suppliers' compliance with all their contractual obligations including safeguards requirements.

On August 20, 2014, the Council of Ministers issued a decision designating the State Owned Enterprises (SOEs) under MoCH to repair bridges damaged by ISIS. Several of these Enterprises were identified and some are already assessed on their technical and managerial capacity to handle the works needed under the Project in order to support the speedy repairs and maintenance of damaged infrastructure in areas of high risk and that private contractors may not be able to access. From a technical perspective, these Enterprises have the technical capacity to implement projects as demonstrated by their implementation experience of the past five years. Their capacity would have been stretched had they assumed new contracts financed by this Project. However, the contracts currently assigned to them by GoI are mostly inactive due to fiscal constraints. Therefore, despite the large number of ongoing or new contracts, the capacity of these enterprises are currently underutilized and they may be used under Force Account where justified. It is important for them to have governmental support to release them from some of their current commitments, and ensure that invoices under this Project are paid on timely basis. It is also proposed for the total value of contracts assigned to these enterprises under Force Account to be linked to their average cash flow capacity that can cover six months of committed work value.

## B. RESULTS MONITORING AND EVALUATION (M&E)

Results based M&E will follow a methodology for measuring and monitoring results, as well as for review. In light of the fluid environment in the Project Areas, the baseline for measuring results will be validated within six months of Project approval through surveys financed under Component 6. Responsibility will rest with the PCU complemented by close Bank implementation support. A results framework and monitoring matrix to track inputs, outputs, and outcomes has been developed for the project with intermediate and key performance indicators (see Annex 1). Project implementation progress will be monitored continuously, and outputs and outcomes will be reviewed during project supervision to evaluate progress using data compiled by PCU. M&E will measure individual project performance according to results framework targets and provide quarterly activity reports, targeting both the management of contractors as well as external stakeholders. A baseline, annual beneficiary surveys, financed under Component 6 of the Project, to measure who and to what extent benefit from the infrastructure and services as well as how it affects people's lives in both social and economic terms, an end-line survey, an end term review and final Implementation Completion and Results report will be completed. In addition, data and information on project activities will be collected and collated quarterly. In view of the Project's nature and the strategic importance of scaling up its activities to other urban settlements in Iraq, the M&E system would target the identification of lessons to be applied to the design of follow up projects. This Project will provide technical support to the PCU as needed to carry-out its duties and responsibilities towards this Project.

Further, it is envisaged that some components of the M&E system will be participatory, engaging citizens and in conjunction with the focal points and community leadership within all seven municipalities, thus contributing towards the empowerment of communities, building trust amongst implementation stakeholders and strengthening cohesion by the socialization of the results and achievements of the Project.

## C. SUSTAINABILITY

As this project by nature demands an immediate reaction to assist efforts which aim at reducing high human risks and suffering, in extreme cases the loss of life in the immediate term, the design of this

multi-dimensional Emergency Project aims to produce rapid outcomes through immediate implementation action. One of the outcomes in the design of this Emergency Project is to build a relationship with the local citizenry that enables GoI to identify and prioritize their needs, set goals, create accountability mechanisms, and implement, processes and concrete actions that will maintain/improve their quality of life. This could be supported by using the information generated from the annual beneficiary surveys.

#### D. SYNERGIES

The Project will assist the GoI Reconstruction Fund to address the needs for restoring services to the recently liberated areas and areas that will be liberated in the near future. In addition, the Project will complement the Global Coalition to Counter Da'esh (or ISIS) effort which aim “to assist GoI in planning, conducting, and monitoring recovery and Stabilization measures in the immediate aftermath of the liberation of areas previously suffering under Da'esh-control and creating the enabling environment for enduring stability.” The Coalition will support restoring law and order and other key services. It will foster unity of effort within GoI and across international support to GOI; support reconciliation and a safe and secure environment; and strengthen national and local government administration. Importantly, the Coalition will support GoI efforts to mark and clear IEDs and UXO as well as other efforts to protect populations and critical infrastructure. It is anticipated that the successful implementation of the Project will draw further GoI and/or new donor investment in similar infrastructural reconstruction and service delivery restoration of projects. There could also be a logical expansion into other sectors, where there might be overlapping interests, and also follow on activities beyond the immediate reconstruction aspects.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01	<b>x</b>	
Natural Habitats OP/BP 4.04		<b>x</b>
Forests OP/BP 4.36		<b>x</b>
Pest Management OP 4.09		<b>x</b>
Physical Cultural Resources OP/BP 4.11	<b>x</b>	
Indigenous Peoples OP/BP 4.10		<b>x</b>
Involuntary Resettlement OP/BP 4.12	<b>x</b>	
Safety of Dams OP/BP 4.37		<b>x</b>
Projects on International Waterways OP/BP 7.50	<b>x</b>	
Projects in Disputed Areas OP/BP 7.60		<b>x</b>

#### **Comments (optional)**

This Project is assigned a Category B, triggering the safeguards policies OP4.01, OP4.11, OP4.12 and OP7.50; prepared under the provision of paragraph 12 of OP10 for “projects in situations of urgent need for assistance or capacity constraints”, and the preparation of safeguards instruments has been approved for deferral into the implementation period, and in lieu an environmental and social action plan (ESAP) was developed (see below). The Bank has already commenced - on behalf of the Recipient - the preparation of an Environmental and Social Framework (ESMF) as the primary safeguards instrument of the project.

The ESMF will cover the entire scope of potential investment sub-projects (e.g. housing, road

repairs, transmission lines, bridges, energy production facilities, etc.), classify them into typologies along environmental and social criteria and impacts, and for each typology define the required specific instruments and processes. The ESMF and sample ESMPs covering the majority of project typologies are expected to be available for consultations and disclosure at or shortly after project effectiveness due to the accelerated processing under paragraph 12 (d) of OP10.

## VII. Contact point

### World Bank

Contact: Ibrahim Khalil Dajani  
Title: Senior Operations Officer  
Tel: 5366+6541 /  
Email: idajani@worldbank.org

### Borrower/Client/Recipient

Name: Republic of Iraq  
Contact: H.E. Mr. Hoshyar Zibary  
Title: Minister  
Tel: 00964-7901919070  
Email: ministeroffice@mof.gov.iq

### Implementing Agencies

Name: Ministry of Municipalities and Public Works  
Contact: H.E. Mr. Abdulkareem Yunis  
Title: Minister  
Tel: 00964-15435448  
Email: mmpw.pmt@gmail.com

Name: Ministry of Health  
Contact: H.E. Mrs. Adeelah Mahmoud Hussein  
Title: Minister  
Tel: 00964-7901943415  
Email: minister@moh.gov.iq

Name: Ministry of Electricity  
Contact: H.E. Mr. Qassim Fahdawi  
Title: Minister  
Tel: 00964-7901938715  
Email: imoe\_hq@yahoo.com

Name: Ministry of Construction and Housing  
Contact: H.E. Mr. Tariq Al Khekani  
Title: Minister  
Tel: 00964-7704715011  
Email: office@imariskan.gov.iq

Name: Reconstruction Fund for Areas Affected by Terroristic Operations  
Contact: H.E. Mr. Abdul Basit Tirki Saeed  
Title: Coordinator of the Reconstruction Fund  
Tel: 964-790-146-1419  
Email: ghaidaa1954@yahoo.com

**VIII. For more information contact:**

The InfoShop  
The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 458-4500  
Fax: (202) 522-1500  
Web: <http://www.worldbank.org/infoshop>