



House of Commons  
International Development  
Committee

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**Iraq**

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**Oral and written evidence**

***31 January 2008***

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## International Development Committee

The International Development Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for International Development and its associated public bodies.

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Malcolm Bruce MP (*Liberal Democrat, Gordon*) (Chairman)  
John Battle MP (*Labour, Leeds West*)  
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Jim Sheridan MP (*Labour, Paisley and Renfrewshire North*)  
Mr Marsha Singh MP (*Labour, Bradford West*)  
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The staff of the Committee are Carol Oxborough (Clerk), Matthew Hedges (Second Clerk), Anna Dickson (Committee Specialist), Chlöe Challender (Committee Specialist), Ian Hook (Committee Assistant), Sarah Colebrook (Secretary), Alex Paterson (Media Officer) and James Bowman (Senior Office Clerk).

### Contacts

All correspondence should be addressed to the Clerk of the International Development Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 1223; the Committee's email address is [indcom@parliament.uk](mailto:indcom@parliament.uk)

# List of witnesses

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**Thursday 31 January 2008**

*Page*

**Mr Douglas Alexander**, a Member of the House, Secretary of State for International Development, **Ms Barbara Hendrie**, Deputy Director for Iraq, Middle East and North Africa, Department for International Development, and **Mr Giles Lever**, Deputy Head (Political-Military, International and Operations), Iraq Group, Foreign and Commonwealth Office

Ev 1

# List of written evidence

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Department for International Development

Ev 19;22;24

# Oral evidence

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## Taken before the International Development Committee

on Thursday 31 January 2008

Members present

Malcolm Bruce, in the Chair

John Battle  
Richard Burden

Ann McKechin  
Mr Marsha Singh

*Witnesses:* **Mr Douglas Alexander MP**, Secretary of State for International Development, **Mr Giles Lever**, Deputy Head (Political-Military, International and Operations), Iraq Group, Foreign and Commonwealth Office (FCO), and **Ms Barbara Hendrie**, Deputy Director for Iraq, Middle East and North Africa Department, Department for International Development (DFID) gave evidence.

**Q1 Chairman:** Good afternoon, Secretary of State. Thank you for coming in for this evidence session on Iraq. Just for the record, first of all, could you introduce your team.

**Mr Alexander:** I am supported by Barbara Hendrie, the Deputy Director for Iraq in our Middle East and North Africa Department within the Department for International Development, and Giles Lever, who is the Deputy Head of the Iraq Policy Unit within the Foreign and Commonwealth Office.

**Q2 Chairman:** Thank you very much for coming in. As you know, the Committee has basically just decided to take a single evidence session to try and bring us a little bit up to date with developments, particularly, from your Department's point of view, in Iraq in the light of changes. This Committee in this Parliament has not visited Iraq. The Committee in the previous Parliament did. We have simply taken a bit of informal evidence, some written evidence and obviously a submission from the Department itself but a number of questions have been raised with us. Clearly, the situation deteriorated in the course of 2006–07 and obviously you will bring us up to date on where you think we are now. How much did that deterioration in security affect the ability of the Department actually to carry out its work within Iraq? Was it seriously compromised?

**Mr Alexander:** Of course it is the case that sectarian violence within Iraq had an effect on the Government's ability to function effectively and, while we welcome the steps that have been taken both by the multinational forces and by the Iraqi forces themselves, which have resulted in a reduction in the number of hostile incidents in recent months, the main focus of our effort has been in supporting the capacity of the Government of Iraq to support the development of its own people. So it is right to acknowledge that the violence contributed to a security context which placed further challenges in the way of the Iraqi Government in their endeavours to improve the health, education and wellbeing of the people of Iraq.

**Q3 Chairman:** We are coming to that. Obviously, the figures were horrendous at the peak of that insurgency, when it was estimated that casualties were maybe 3,000 a month. That was certainly the figure for February early last year, and US military casualties were up to a peak of 120 in May. The figures now look better, although, if you ignore the previous figures, you would not really be very comfortable with even current levels of casualties if you were the American military or Iraqi civilians. Nevertheless, the argument is that the "surge" has brought that level of violence down. Is there any comparable opportunity for a surge in improving the quality of lives? Has it created space that will enable more development activity to be delivered? In that context, how will your Department be able to operate to fill that space, if you feel the space is there?

**Mr Alexander:** Firstly, let us take the trends. It is right to acknowledge that the violence has been declining but equally that it remains very high. In that sense, it might be helpful to share with the Committee some of the figures that have been brought to our Department's attention. In June 2007 hostile incidents spiked across the whole of Iraq. Baghdad was experiencing 87 serious attacks, including mass casualties every day. In comparison, over one week of January 2008, this month, there were only 513 hostile incidents reported across all of Iraq. So while progress is against a very high level of residual violence, it is clearly welcome and it is real on the basis of information that comes to us. I had the opportunity to visit Iraq in December and to meet with and discuss the situation with General Petraeus, the American commander in charge. I think it would be fair to identify a number of factors which in turn affect the development context which have contributed to the reduction in those levels of violent incidents: the success of the military surge, involving an additional 30,000 extra troops; the increased capacity of the Iraqi security forces themselves; a ceasefire declared within Iraq by the Shia militia affiliated to the Sadrist movement; and the role of the Awakening councils, not just in Anbar province, which has received a great deal of publicity, but actually across other Sunni provinces both near to Baghdad and more generally across the

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 31 January 2008 Mr Douglas Alexander Mps, Mr Gile Lever and Ms Barbara Hendrie
 

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country. So there are a range of different factors which account for the reduction in violence that has been seen. The effort by not just the Department for International Development but also the other international players has consistently been to try and secure the wellbeing and the development objectives that the Government of Iraq has set and while we recognise that there is scope, given the reduction in violence, for further action to be taken, it is only right to acknowledge that there are also considerable non-violent challenges affecting the Government of Iraq. The politics at the centre of the Government of Iraq has not been as constructive and as effective as we would have wished over recent years, although in recent weeks and recent months there has been some more optimistic and more hopeful signs. More generally, the sectarian character of the violence that has been experienced has affected the political framework in which decisions are taken but there is no doubt, for example, in the south, where I had the opportunity to visit, as well as in Baghdad we have seen some real progress in recent months. For example, the reduction in the level of violence has contributed to an environment in which, for example, I was able to meet with Prime Minister Maliki alongside the Governor and the Provincial Council within Basra itself. That was a good example of where the politics had effectively been stuck for some time but, partly in light of the initiative that the Prime Minister had taken, partly in light of the improving security situation, there was significant movement back in December in terms of the scope for further investment within the economy in south-east Iraq.

**Q4 Chairman:** Thank you for that. We have had information obviously about the activities and approach of General Petraeus, which seems to be quite sophisticated, and the various alliances or deals or whatever you may wish to call them to try to lower the temperature but the question that you are left with—and I appreciate this is not your Department’s responsibility but it will determine the space—is if the surge ends and a scale-down of American troops then takes place, has a permanent reduction in violence been achieved as a result of those measures or is the real danger that it will simply revert? In other words, what will fill the space is not, sadly, development opportunities but a resurgence of the insurgency.

**Mr Alexander:** I think it would be a brave individual to speak with certainty in terms of predictions and certainly General Petraeus, when I spoke with him, would be the last to express any form of complacency given the real progress that has been achieved under his watch. In that sense, I think you are right to recognise that new opportunities have arisen as a result of the progress that has been made but that makes it incumbent on all of us, whether military, diplomatic or development, to try and seize that opportunity. I would be cautious against suggesting that development can take the place of political reconciliation because I think I certainly left Iraq with a very clear sense as to quite how central is the responsibility of the Iraqi Government itself and

indeed on the political leadership of Iraq, because it will be vital if we are to see the kind of progress that you anticipate in terms of development efforts yielding results that we see progress in relation to political reconciliation as well as simply the security environment. That is not to diminish the security environment but politics remains absolutely fundamental both to the security context in Iraq and also to the capacity to achieve the development objectives that have been set. A very basic fact probably makes that point: Iraq is not *per se* a poor country; it is a middle-income country with very considerable oil reserves, notwithstanding the degradation of the infrastructure both for exploration and transportation of oil as a result not just of recent activities but under-investment over many decades. My recollection is that the oil exports yielded revenues in the region of \$32 billion in the last year alone. So it is not simply in terms of development a matter of importing money into a desperately poor country. It is helping to build the capacity of the Government of Iraq to spend its own money in the interests of the Iraqi people and, again, that is in large measure contingent upon the leadership of the institutions of the Government of Iraq, both at a provincial level and at a central government level in a way which allows for real progress to be made. Certainly General Petraeus in his conversation with me was keen to emphasise the importance not simply of the work we are supporting through the Prime Minister’s initiatives on economic development in the south, principally in Basra, but also the importance of, through our colleagues in the Foreign Office, emphasising to the centre the vitality of the relationship between the centre’s actions and economic development within the regions. So, for example, legislative change: while there has been progress in recent weeks on what is commonly known as “de-Baathification”, the de-Baathification laws, there is still much work to be done, for example, in terms of passing legislation on provincial powers. That is essentially characterising the relationship between the centre and the regions, devolution in our parlance, and also the Hydrocarbons Bill, the facility to secure investment and to be able to get oil resources flowing because, as I say, this is a country with very considerable oil reserves. If you are able to crack the ability of those oil reserves to be removed in a way that yields income and revenue for the people of Iraq, then that is a very considerable step forward. Barbara, maybe you can say a word in terms of economic development?

**Ms Hendrie:** We are focusing, as the Secretary of State said, on trying to encourage and enable the Government to spend the considerable resources that it has. There are many reasons why that is difficult and challenging. Security is one but we do find that we are able to meet with government officials, we are largely confined to the international zone, as you will know, but many government offices have now set up liaison contacts in the international zone so we are able to meet counterparts at a relatively high level in government on the economic sphere. Where we find it difficult is to meet mid-level

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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officials and to actually get out to ministries to mentor side by side with units that are trying to, for example, implement federal budget systems. But we do make progress. We have openings to provide policy advice. We have been quite successful in discussions with the Government on the macroeconomic programme and leveraging in support from the IMF<sup>1</sup> and the debt relief side. We are working very closely also with the World Bank on a public finance management programme for the Government to try to get the public finance management expenditure systems working to get the money out to the provinces and moving through the systems. It is frustrating, it is difficult, we are impeded in what we can do but, within that constraint, we do feel that there are opportunities and we are making some progress. In Basra we are largely confined, as you will know, physically to the air station now but what we have found there is that actually provincial government officials are quite keen to meet with us and to take our advice and training, and we are able to meet with them in the commercial section of the airport fairly regularly. Even when some of the political contacts have fallen away because of disagreements with the Governor, our technical counterparts in the directorates and the committees of the provincial council have continued to meet with us. The other mechanism we use to get around the security constraints is we have workshops in third countries, so Kuwait or Dubai, and that is actually quite useful because we are able to bring ministers and officials from Iraqi government institutions together in a context where they probably have more dealings with each other in a concentrated forum than they do in their normal operating environment in Iraq and we find that we get quite good spurts of activity and capacity-building in that sense.

**Chairman:** I think we might want to explore in more detail where that takes us.

**Q5 John Battle:** To follow up on that, if we take as read, as it were—not for granted but as read—the difficulties of the circumstances in which you work, I am tempted to ask about the response that Barbara gave, Secretary of State. It is a top-down attempt to settle things down. I am trying to get a perception of what Iraq is like now because the pictures I see on TV are usually when there has been another bomb, people taken to a hospital that is half destroyed, so the level of destruction that you are starting with. I do not even imagine that the work is development action. It is almost humanitarian assistance at this stage. I wonder what your picture is, because I get the impression that there are still people who are hungry, need to be fed because there are food shortages, there is not enough water and sanitation across the country. I wonder what your assessment of the humanitarian situation is. Is it getting worse? Are there more poor people than ever before that you are trying to reach with humanitarian aid? What do you see as the picture?

**Mr Alexander:** Let me try and characterise the humanitarian context as we see it. Firstly, it is right to acknowledge to the Committee in those circumstances that you described it is quite difficult to get accurate statistical information but the United Nations estimates that there are about 2.2 million internally displaced people in Iraq and a further 2 million Iraqis who are refugees across the region, approximately 1.5 million of those being in Syria and approximately 0.5 million being in Jordan, though independent estimates suggest that those numbers, for example the numbers in Jordan, may be somewhat lower. It is hard to identify the displaced populations and their needs for two reasons: firstly, there are very few camps on the borders of Iraq. The pattern of dispersal is that people tend to move to communities either within Amman in Jordan or Damascus within Syria, and it is estimated that somewhat less than 3% of the displaced people outside of Iraq are living in camps, so it is not a visible community in a way that in other parts of the world it would be. Similarly, the security situation within Iraq constrains the ability to give an accurate assessment as to how many of the people who are internally displaced within the country are living. That being said, the World Food Programme estimates that approximately 4 million people in Iraq are food-insecure and many Iraqis have come to rely on the PDS, as it is known, the public distribution system, which was originally devised in the context of the hardship following the Iran-Iraq war but is one functioning piece of the Iraqi state that continues to operate. That basically involves all Iraqis being eligible for rations from the PDS but there are real difficulties in terms of corruption, lack of capacity, people being on the list who frankly should not be, but the GoI, the Government of Iraq, continues to manage the PDS system and that is one of the principal mechanisms by which food is distributed. Indeed, the World Food Programme recently announced the start of a \$126 million programme to address urgent food needs amongst internally displaced people both within Iraq and Iraqi refugees within Syria. That is broadly how I would characterise the position in terms of food scarcity and number of displaced people. If you want, we can speak in more detail in terms of other sectors.

**Q6 John Battle:** We may ask for more detail about the displaced people and, of course, if people are in camps, they are easy to identify and locate but if the Government of Iraq sources are suggesting that a third of the population now live in poverty and, of course, grades of that, and they then think that 5% are in absolute, extreme poverty, my question—and we are International Development, not Defence or Foreign Affairs, with a focus on the poor—how are they being reached? Even at the most desperate level for humanitarian assistance, I do not know whether the UN agencies or whether the International Red Cross can actually get to the people. I understand your problem in the green zone but what about those other agencies? Can they operate on the ground in the villages and in the other towns and cities? Is it possible?

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<sup>1</sup> International Monetary Fund

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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**Mr Alexander:** The ICRC<sup>2</sup> has principally been working through the Red Crescent. Maybe, Barbara, you can say a word or two both in terms of distribution mechanisms but also share with the Committee the figures in terms of infant mortality, which in some ways challenge the perception that there has been a uniform deterioration given there are some contrary statistics.

**Ms Hendrie:** Starting with the ICRC, which is one of our main partners for immediate needs and the sort of extremes of vulnerability and poverty, they rely heavily on the Iraqi Red Crescent Society, who have quite a good coverage across the country. That is not an easy relationship. There is a lot of money now coming into the system.

**Q7 John Battle:** There are enough resources then? It is reaching the people that is the problem, is it?

**Ms Hendrie:** There are probably enough resources coming in for the delivery mechanisms that there are at the moment on the ground, and in fact, there is a danger of overloading the Iraqi Red Crescent system. We have just learned recently that actually there has been some disagreement between the ICRC and the Iraqi Red Crescent, partly based on reporting and fiduciary issues. There is always a danger when you start funnelling huge amounts of money into a delivery system which is actually quite fragile and thinly spread. The ICRC itself also has something of a presence—we do not want to talk about it too much because they have asked us not to profile it—but we feel pretty confident that they are able to get out and about and see what is happening. Having said that, it is still, as the Secretary of State said, very difficult to know what exactly the picture is. We get statistics from different sources. We have had some very alarming statistics produced recently in the Medact report about the health services in Iraq.<sup>3</sup>

**Q8 Chairman:** We will come on to that.

**Ms Hendrie:** It is very much in our minds but we are also getting other statistics. For example, UNICEF<sup>4</sup> produced recently their 2006 multiple indicator cluster survey, which is pretty authoritative, as good as you could get for the moment in Iraq, looking at a whole series of indicators, and what those suggest is that child nutrition has actually stabilised and indeed slightly improved if you look across stunting, wasting and underweight indicators, and are now roughly, according to their statistics, comparable to Egypt. That is a set of figures which one has to weigh in the balance. The other set of figures is under-five mortality, which has become slightly worse. We are now at a situation of something like 41 per thousand, which is never ideal, but again, is roughly comparable. So it is not to say that things are not bad but that actually getting a clear picture on the ground is very challenging.

**Q9 John Battle:** I want you, in a sense, to dispel a perception that I have got, and even in another conflict, in the Vietnam war, and even in Britain, we have floods. Is there a pocket of people cut off that no-one is reaching and you need a helicopter to drop food to make sure they do not starve? Even in the Vietnam war there were food drops to some villages where people were starving because they got cut off. Of course, there were pamphlets and leaflets as well. Leaving that aside, in Iraq are all the people being reached who are in desperate need? Are you confident that the tentacles of the organisations can get there? Is there the capacity and possibilities, whether protected by military convoys or whatever, to reach the people in most desperate need? I know that is not a development question of how we are rebuilding and rebuilding the infrastructure but will we find a village in 10 years' time that was totally cut off where the people starved to death as a result of nobody reaching them? That is the image I am really trying to dispel.

**Mr Alexander:** I could not give you the assurance that you are looking for in terms of our footprint in Iraq. We rely heavily on the international mechanisms that are there, principally the United Nations, although I did take the opportunity when travelling to Iraq to stop off in Jordan to meet with David Shearer,<sup>5</sup> who has recently been appointed to improve the coordination of the international humanitarian response, and I have to say he struck me as an outstanding individual, who will have some responsibility both for what is happening regionally but also for what is happening in-country.

**Q10 Chairman:** We met him when we were in Palestine.

**Mr Alexander:** Really, a core part of his task is to be able to surface and to render transparent some of these issues because, while we tend to work through the United Nations, the ICRC and other international bodies, it really has not been for us to have that comprehensive overview but we recognise absolutely, as you say, that we need to make sure that, notwithstanding the very real security and violence challenges that are faced, that work is being taken forward principally by the Government of Iraq itself but supported by the efforts of the international community, perhaps more effectively than it has been in the past.

**Q11 Ann McKechin:** Secretary of State, you mentioned earlier about the new World Food Programme which has just been started. Can you just confirm whether the UK is directly contributing to that programme?

**Mr Alexander:** We do contribute to the WFP<sup>6</sup> generally. In terms of the new appeal that is going out, yes, my recollection is that we are in terms of the \$125 million or so appeal that is out at the moment.

**Ms Hendrie:** Our response has been internally through the ICRC and externally through UNHCR.<sup>7</sup> I am not sure in fact whether we have

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<sup>2</sup> International Committee of the Red Cross

<sup>3</sup> Medact, *rehabilitation under fire*, 2008

<sup>4</sup> The United Nations Children's Fund

<sup>5</sup> UN Humanitarian Co-ordinator for Iraq

<sup>6</sup> World Food Programme

<sup>7</sup> The United Nations High Commissioner for Refugees

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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specifically contributed to the WFP effort. We will look to contribute under the consolidated appeal which we expect in mid-February but what we have done is focus for short-term needs on the ICRC and for displaced people in the region on the UNHCR. We have also contributed through the IRFFI<sup>8</sup> trust fund. As you know, the money there goes out to a number of different UN agencies.

**Mr Alexander:** Forgive me. It is not \$125 million. It is \$126 million which has just been announced by WFP. In that sense, they have only just launched the appeal but we will make sure that we are co-ordinating in terms of what we do with other parts of the UN system.

**Q12 Ann McKechin:** A new food security unit has also been established in the Ministry of Planning and Development Coordination. In your view, has that made any impact on actually improving the current distribution of food in the country?

**Mr Alexander:** The principal mechanism, the PDS, of which I have already spoken, remains the key mechanism by which the Government of Iraq distributes resources and it has been there for some time. It is not perfect but our sense to date has been that this is the best instrument available within the—I was going to say “armoury”—the repertoire of the Government of Iraq given its long-standing capacity to get food out to communities, but maybe, Barbara, you could say a word or two in terms of the support for the efforts to reform the PDS, which has been that principal mechanism of food distribution.

**Q13 Ann McKechin:** Perhaps just before Ms Hendrie responds, is there any plan by the Government of Iraq or by international donors about continuing the scheme indefinitely or is there some sort of end date that they are trying to reach or a greater level of targeting in how the system operates?

**Mr Alexander:** The necessity for sustained delivery of food essentially on a rations basis is contingent upon not just the security situation in terms of the capacity of people to move about, take their place within a functioning market economy, but also the capacity of the Government itself, and in that sense, clearly, one would want to move away from a situation whereby in perpetuity people are reliant upon food rations to sustain themselves. On the other hand, this mechanism has been in place now for many years within Iraq, reflecting the very troubled history of that particular country but ultimately these judgements are judgements that have to be made by the Government of Iraq in terms of at what point you can transition away from what is essentially a humanitarian response to an identified need to a position whereby there is sustainability of food supply for the country.

**Ms Hendrie:** As the Secretary of State said, there is a sense of strong entitlement under the PDS and, where we have opened up policy dialogue with the Government on reform, there has always been that hurdle to overcome. Our concern at the moment is that the Government is now looking at the PDS

system, but very much looking to revise the criteria on eligibility, which we have some concerns about in the current situation given the levels of internal displacement and vulnerability. We would much prefer that they focused on reshaping and revising the mechanism of the PDS to make it more effective, with a gradual move to a more targeted system, probably a cash transfer basis but at the moment revising criteria for eligibility is of some concern, particularly given the levels of conflict and sectarian violence.

**Q14 Ann McKechin:** The World Bank suggested that subsidies of this nature have negative economic impacts because where you tend to have ration books, you will tend to have a black market, and there actually seems to be quite heavy evidence of that already. I just wonder, when you are talking about cash transfers, that would seem to me one way of better targeting but also avoiding the distortion element. Is there any research going on about that, trying to assist the Iraqi Government so that they can devise an appropriate financial package?

**Mr Alexander:** I would simply say in response that cash transfers is no guarantee of a lack of corruption, in the sense that public financial management, if put in place effectively, can both assist and remove the difficulties in terms of corruption with food distribution and equally be the foundation on which cash transfers can operate. In other countries in which we operate as DFID we would clearly seek to transition towards cash transfers as a mechanism of social support rather than direct transfers of food, for all the good development reasons of which you speak, but I would not under-estimate the scale of immediate humanitarian need that is faced. My recollection is that the estimate is that if PDS were to break down, approximately 45% of the population, that is, 12 million people, would find themselves food-insecure and in that sense the instrument itself of PDS, while far from perfect, reflects the circumstances in which it has been called to operate, that is, the inability of people to operate as part of a functioning market economy, the inability of people to be able to move around with a degree of security, and the limited capability of the Government of Iraq. Are we unyielding in our determination to support as one of our key objectives in DFID the capacity of the Government of Iraq and individual ministries to assist them in the kind of evolution that you describe? Absolutely, but I would not under-estimate the scale of need to which PDS is presently being addressed.

**Mr Lever:** I would just add that the reform of the PDS is not purely a humanitarian issue; it is also bound up in some ways with politics. As you know, the economic geometry of Iraq, if I can put it that way, between the centre and the regions has not yet been worked out as well as the political geometry. There are encouraging signs that the different parties, Prime Minister Maliki and the other parties, are committed to pushing ahead with the debate on provincial powers and the decision on when the timing is right to go for a more substantive overhaul

<sup>8</sup> International Reconstruction Fund Facility for Iraq

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31 January 2008 Mr Douglas Alexander Mps, Mr Gile Lever and Ms Barbara Hendrie

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of the PDS, as I say, I think will be bound up with these political decisions to some extent, and therefore it is very much a judgement that the Iraqis need to make. We would recognise of course the problems with the PDS, the fact that a lot more money, many times more money is spent on administering the programme than on the actual value of the food itself, and our sense from talking to Iraqis in the technocratic ministries is that they also recognise and understand that problem but, because of political sensitivities and the need to map this kind of centralised distribution system on to whatever geometry is eventually drawn up in terms of power between the regions and the centre, we think it is very much for them to make the judgement as to when is the right time to look for more widespread reform.

**Q15 Mr Singh:** Secretary of State, we have been told that the health system in Iraq is in disarray and we all know what has been going on in terms of the levels of violence but is this description true all over Iraq? I can imagine why it is true in Baghdad and the north but is it true, for example, in Kurdish Iraq? Is it true in the south, where the same levels of violence have not been experienced? If it is, what is the cause?

**Mr Alexander:** I think it is fair to say that the Iraqi health system faces enormous challenges, many of which actually pre-date the 2003 action that was taken. There were literally decades of under-investment and mismanagement within the health system, and an increased number of vulnerable people and the security situation have added to the challenge that the health system is facing. In recent years we have seen the specific targeting of doctors and nurses, which is not limited to a single geographical area but has manifested itself in a number of areas by insurgents and many, perhaps as much as half of the population of doctors and health professionals within Iraq as a consequence have left the country. About 20% of Iraqi children under five are now missing routine medical vaccinations, as one example of where the system is under strain. One in five Iraqi children are showing signs of stunted growth, diarrhoea rates are rising due to water shortages, and so it is right to acknowledge that there are very real challenges being faced within the health system but, of course, there is a range of different experiences in different parts of the country. The general security situation in the Kurdish part of northern Iraq is significantly more benign however than the Sunni triangle, Anbar in the centre or indeed Basra and the related provinces in the south.

**Q16 Mr Singh:** Is it true to say then that the Government of Iraq has no writ beyond Baghdad and has no working system whereby it can allocate money or support health services elsewhere?

**Mr Alexander:** I would not accept that description in the sense that, although there are very real security challenges, I think the risk is that inadvertently we slip into parallels, for example, with Afghanistan, where the challenge is often put saying "Does the writ of the Government run outside of Kabul?" I think in fact the character and nature of the

challenges that Iraq faces are very discrete and very different. While you have broadly the Sunni triangle in the centre of Baghdad, which remains a diverse city, and you have the Kurdish region in the north and the Shia population in the south, the Government in terms of ministers are able to move around. When I was in Basra myself I met not just with the Deputy Prime Minister and the Prime Minister but other ministers who were themselves in Basra that day. In that sense, there are functioning ministries and the writ does and should run across the country but it is right to recognise there are very real challenges affecting the health service in every part of the country.

**Mr Lever:** If I could just add a word on the general politics rather than the health service, I think the problem is perhaps less the central government's writ running in certain areas as it is that Iraq formerly was a very highly centralised state, with very little representative democracy or accountability at local levels and very little ability to develop effective local political structures. That is an area where certainly there have been very encouraging improvements since 2003. Although some sections of the populace boycotted provincial council elections in 2005, in other places there was a good turn-out and one of the focuses of our activity in Basra has constantly been to try to develop and empower the capabilities of the Provincial Council and the Provincial Development Committee. The big challenge for us and for the Government of Iraq and for the local authorities themselves is trying to make the relationship between the centre and the provinces work effectively, make the Government in the centre more responsive to the needs and the ambitions of these local representative bodies when there is no tradition in Iraq of them doing so.

**Q17 Mr Singh:** Given that clean water is so important to health and the health system, what efforts are we and the international community making in terms of water, to make sure that clean water is available to Iraqis and to the Iraqi health system?

**Mr Alexander:** You are right to recognise water is essential. As I say, the figures in terms of diarrhoea reflect the difficulties that have already been manifested as a consequence of the poor infrastructure. There have been longstanding problems in terms of water within Iraq, which again pre-date 2003. It is one of the areas that the Government of Iraq itself has identified as a priority in terms of infrastructure. While it is not one of the identified areas of priority that we as the Department for International Development have focused on, we are supportive of the efforts of building the capacity of the Government of Iraq to actually meet that kind of challenge.

**Ms Hendrie:** I would just add as well that a lot of the work on water and sanitation is happening through the mechanism of the IRFFI fund, and you have UN agencies—it is cluster D, health and nutrition, although we do not have clusters any more in IRFFI; we have sectors—that is putting the primary emphasis on that. So a lot of our support has been

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31 January 2008 **Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie**

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channelled through the UN agencies who work on that issue because it is such a massive set of issues that it seemed to us better to make a contribution to the UN system, which can work at that scale and tackle those issues.

**Q18 Mr Singh:** Are there any signs of things improving in water and sanitation?

**Mr Alexander:** I defer to official expertise.

**Ms Hendrie:** Patchy. Again, the diarrhoea statistics are worrisome. We will probably come on to a discussion about IRFFI because it is such a central bit of the effort in Iraq but it has been very difficult to get a sense of the impact of those programmes. What we have are the proxy indicators on child nutrition and diarrhoea. It is not our sense that there is a major water supply or quality catastrophe. One of the things that we watch is the health indicators for people who are actually leaving Iraq, where you can actually monitor people crossing borders. At the moment there are not signs that there is severe malnutrition or water-borne diseases. We have to use these proxy indicators to try to understand what is happening. At the moment it is not our understanding that there is a disaster but, obviously, it is a key area that needs to be watched carefully.

**Mr Alexander:** One of the areas where we are working in Basra is in relation to water towers, affecting one of the poorest communities within Basra. On completion of these water towers, they will be the tallest buildings within the city of Basra and in fact provide very significant additional support and clean water to one of the poorest communities within Basra.

**Ms Hendrie:** Thank you for mentioning that because I think it is one of our more heroic projects, which has had to be implemented in one of the most volatile parts of Basra city through co-operation with Iraqi engineers, who go out and monitor and move the project forward and then take pictures and videos and show us what is happening. A lot of the security for that project is actually provided by the community itself and by the tribal leaders, who know that that water supply is going to be vital for their communities. It will provide 250,000 people with a clean water supply. It is also a very good example of where we have collaborated closely with our military colleagues, because we are constructing the foundations of the towers to hold the water and then the military has done the piping to take that water actually into key bits of the city.

**Mr Alexander:** Mott MacDonald, the British engineers—I actually had the opportunity to meet with them when I was in Basra—have been overseeing the work and, as I say, the completion date, as I recollect it, is a couple of months' time; it is March 2008. The work will be completed, we anticipate, on time and, as I say, they will be the tallest buildings in Basra. Reflecting our informal discussion earlier at the Department, I was wondering when I saw these very large buildings as to whether it provided a new branding opportunity for the Department for International Development but I am not sure that it would assist the sustainability of these towers if a large Union Jack

were to be embossed across the front of it, so I think probably less is more when it comes to branding of these towers.

**Q19 Mr Singh:** It is a real shame that such developments do not get the publicity they deserve. In terms of the health professionals leaving the health service, there is a report by the Iraqi Parliament in May that 80% of physicians have actually left their posts. Is the Iraqi Government making any efforts to coax them back?

**Mr Alexander:** There is very limited evidence in terms of people returning at the moment but I think it is hard to disaggregate the particular incentives that could be offered to health professionals from the general security situation. I think perhaps inadvertently in the course of this session we have underplayed the scale of decline in violence that has been witnessed notwithstanding the truth that it remains at unacceptably high levels but it seems to me that if you are a professional with a family contemplating the option of being able to work elsewhere within the region, whether in Damascus or in Amman or further afield, one of the very key considerations would be the security, the personal security of yourself and your family. In that sense, all of these issues are related but a very key aspect is the violence.

**Mr Lever:** I would just say briefly that, depending on the range of indicators that you look at, all the indicators that we are seeing suggest very significant drops in violence now from the peaks that were achieved—"achieved" is perhaps the wrong word—in 2006 and in early 2007 down to levels that were last seen in around 2004–05. So you would be talking, depending on the indicator of your choice, about maybe a 60% drop or an 80% drop from the high points, the worst points that we saw earlier on. It is a very significant improvement in the security situation, we believe.

**Mr Alexander:** One other point, in terms of medical training; you are right to acknowledge that our colleagues, not DFID but the Department of Health, have undertaken to help train 400 Iraqi doctors over the next two years. That was an initiative announced last year, in 2007, so there are efforts being made in the international community in light of the significant numbers who have left Iraq in recent years.

**Mr Singh:** I hope they do not all come to work here!

**Q20 Chairman:** There were two points made to us in informal evidence about the health service. One, which I think your answers have to some extent borne out, is the difficulty of actually knowing what is going on on the ground and whether there is scope perhaps for getting that information, because if you do not actually know, you are not going to be able to respond. Related to that, which is more contentious, is the suggestion that health was being rationed by price; in other words, it was substantially privatised, charged for, which meant, of course, those who have access to money get the treatment but the poor and under-privileged are even worse off because it is either physically not

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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there or it is totally beyond their reach. On the first point, information, is there anything that we, DFID, could be doing to improve that situation? Secondly, is there substance to the charge that what is available is actually being distributed in a very non-egalitarian way?

**Mr Alexander:** Firstly, I would not want to over-estimate the capacity of my Department in terms of being able to access this information independently. We are in a somewhat chicken and egg situation in a range of these sectors whereby, until the capacity of the Government of Iraq is strengthened, the capacity to have objective statistical information is reduced. In that sense, again, it seems to us the logical place is to say what steps we can take but not to seek to work across every sector and, candidly, health has not been one of the identified priority sectors for British effort given the engagement of not just the Americans but the United Nations and international bodies. So in response to your question of how we get to the objective information, I think the limit of our effective contribution has to be in terms of building the capacity of the Government of Iraq and, on the second question of rationing by price, again, of course, the risk is that in any health situation it is subject to laws of supply and demand and, as the number of doctors has reduced, then there is a vulnerability that those least able to both afford it or who are most vulnerable are those who suffer most. That is why in part, as I say, our colleagues in the Department of Health have looked at ways that we can supplement the flow of doctors in in terms of medical training but I do not think any of us on this side of the table would diminish the scale of the challenge facing the health system in Iraq at the moment. It does seem to me a big part of the solution, however, is to create a context in which medical education and the sustainability of professional engagement in Iraq can be achieved and that relies on again, or returns to the core proposition, which is that Iraq is not a poor country. It should have the ability both to train and to support many more doctors than are being supported and trained at the moment. Our challenge is twofold: one, to support the efforts that are being made by the Government of Iraq and the security forces and, indeed, the multinational forces to create a security context in which those actions can be taken but, just as critically and perhaps far less prominently, to build the capacity of the Government of Iraq to spend its own money. It literally has billions of dollars sitting in bank accounts at the moment which would be better spent on exactly the kind of services I have been describing.

**Q21 Chairman:** On that point, and I do not want to overstress it, if we are training or contributing to the training of Iraqi doctors to return to Iraq, I hope there is some kind of encouragement to the idea that they would be going back to provide health care for the general populace rather than going back as private practitioners in a private sector health service.

**Mr Alexander:** Barbara has just given me one other figure which, helpfully, bears out what I have just told you. In terms of the amount that the Government of Iraq has been able to spend in expenditures on health, it has actually only spent 32.08% of its budget, of the allocated, approved expenditures for 2007, so in that sense, it is not that the money is not there; it is the capacity of the system to spend it.

**Q22 Richard Burden:** Could we go back to the 2 million internally displaced people and the nearly 2.5 million refugees? I have a couple of more general questions on that but specifically in relation to health, we received a report that, as far as the UNHCR is concerned, the UK does contribute a substantial amount to the UNHCR's work: £3.15 million in 2007. However, we were told that there were no UK funds forthcoming specifically for the health and education programmes which have been implemented jointly with WHO<sup>9</sup> and UNICEF. Could you let us know if that is the case?

**Mr Alexander:** These are for refugees outside of the borders of Iraq?

**Q23 Richard Burden:** It is the UNHCR's Iraq programme, so it is the region.

**Mr Alexander:** In terms of the regional figures that I have—and I will ask Barbara to elucidate on them—in terms of humanitarian agencies, we have spent about £132 million since 2003, including £15 million in 2007, which has supported internally displaced people and external refugees but, in particular, helping to fund international agencies in Syria that have helped health care services cope with the influx of Iraqi population, upgrading hospitals, training staff, buying medical equipment and supporting education. In terms of the specific figure that you cite, that is the general level I have. Barbara?

**Ms Hendrie:** I think this may be an issue of multiple appeals actually, because what we did is respond to UNHCR's \$126 million appeal from 2007, and I believe that UNHCR together with other agencies issued a separate appeal focused on health, and that may be what it is that is being referred to. This has been an issue that we have been taking up with the UN system about subsequent and sometimes overlapping appeals, and it has been a problem. There has been a certain amount of duplication of effort. We are looking forward now to a consolidated appeal from the UN system coming in the middle of next month. It probably is the case that we have not contributed specifically to that. However, the general UNHCR appeal to which we have contributed does include elements of provision of health facilities as well as education, as well as cash for particularly food-poor, women-headed families. It is not a question of—at a certain point you have to decide which is the central appeal you will go for and whether that is covering the right range of activities, but it has been a chronic problem

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<sup>9</sup> The World Health Organization

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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of trying to decide where to put the emphasis when you have this kind of multiple appeal dynamism happening.

**Q24 Richard Burden:** This was a point that has been put to us. I wonder if we could perhaps ask if you could maybe let us have a note on how those figures break down. It may well be that multiple appeals . . .  
*Mr Alexander:* Yes.<sup>10</sup>

**Q25 Richard Burden:** On the specific question of internally displaced people, perhaps you could tell us a little bit more about how we are contributing to improving living conditions for the IDPs.

*Ms Hendrie:* For internally displaced, it is primarily working through the ICRC, and there it has been £10 million in the past year. We have put the bulk of our effort on looking at the internally displaced inside Iraq. The ICRC, working through the Iraqi Red Crescent, have a variety of activities. There are medical facilities, there is emergency assistance, and there are, more recently, livelihood projects which they have started. In addition, we are also looking at supporting International Medical Corps, which is one of the few international NGOs<sup>11</sup> that actually blankets the country. There are very few such organisations, from an NGO perspective, that can actually cover quite a lot of the country. It is in 11 out of 18 provinces, and they have a variety of different medically oriented programmes geared towards internally displaced people. We are also in a policy dialogue with the Ministry of Displacement and Migration, which has a very limited capacity and quite a tiny budget, and with the Ministry of Finance to try to break out more money from the Government. There still is not a formally designated point of contact and leadership within the Iraqi Government for policy on internally displaced, and actually that is the crux, from our point of view, of the issue in terms of actually addressing the vulnerability.

**Q26 Richard Burden:** Turning to refugees, there are the beginnings of a return of refugees back to Iraq from Syria, Jordan and elsewhere. Firstly, in relation to the needs of those refugees as opposed to IDPs, how are their needs being met?

*Mr Alexander:* I think the first thing to say is that terminology can be somewhat confusing in this, in the sense that our judgement—and it is a judgement informed by some of the work that Barbara has described that international agencies are doing—is that although there are very large estimates of the number of displaced outside of Iraq, many of them have greater coping mechanisms than other similar refugees in other conflicts and in other countries, in the sense that a number of them have savings or are being provided services by host countries. For example, there is little evidence that Iraqi children are not being able to access educational services within Syria, for example. The sense is that the number of acutely vulnerable within that category of refugees from Iraq is actually significantly lower

than the number of people who have left the country, the 2 million figure that I quoted earlier, and also, it has to be said, neither Iraq nor the neighbouring countries are themselves acutely poor in a way that in many conflict-affected areas is the case. So the scale of donor support is qualitatively different from other circumstances where refugees have crossed borders in the scale of numbers that we have seen within Iraq. That being said, there is political sensitivity, which I will ask Giles to speak to, both within Jordan and within Syria in terms of the capacity to provide services either discretely to the Iraqi population or for Iraqis to be able to access those domestic services, and that is why, while there is evidence, for example, on the education of Iraqi children within Syria that there are not significant barriers, it has often been a sensitive issue at a diplomatic level for these discussions to be engaged in.

*Mr Lever:* I think it is precisely because of the sensitivities, Secretary of State, that I would not want to go into too much detail but, broadly speaking, as I am sure the Committee is well aware, there is clearly great sensitivity on the part of the Governments of both Jordan and Syria that they should not be landed with a long-term, permanent refugee problem population which puts down roots and which creates a great burden on their own social services. Therefore, they are acutely concerned about activities which might seem to act as pull factors or which might institutionalise that population there. They are encouraging returns as and when, including through the use of immigration measures. Neither country is a signatory to the 1951 Convention. That said, UNHCR is operating in these countries and is registering Iraqi refugees. The question of liaison between the Government of Iraq and its neighbours on the degree of support given by the Government of Iraq to those countries is bound up, again, with the wider political relationship between the Government of Iraq and its neighbours. What I can say there is that again we are seeing encouraging signs of progress, with now a ministerial level neighbours process taking root and developing support mechanisms, and the Government of Iraq having recently made good on quite a longstanding pledge to give \$25 million—I think the breakdown is \$16 million to Syria, \$7 million to Jordan and \$2 million to Lebanon—to support services for the displaced Iraqi population.

*Mr Alexander:* There are just a couple of other points that I would add. One is, given their status as refugees, there are two other barriers that affect the lives of these refugees. One is the inability to work legally and to be part of the formal economy and secondly, increasingly people's visas run out, so people may come in on a temporary visa but that helps account for the invisibility of this population relative to the kind of refugee camps that I am sure all of us around the table, in different circumstances, have visited. The second point is, notwithstanding the political sensitivities, the desire on the part of the Government of Iraq not to be seen to create push factors, the desire on the part of host governments not to be seen to create pull factors and

<sup>10</sup> Ev 24

<sup>11</sup> Non-governmental organisations

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31 January 2008 Mr Douglas Alexander Mps, Mr Gile Lever and Ms Barbara Hendrie

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understandable national pride at stake, UNHCR are providing a range of assistance, both within Syria and within Jordan, in terms of both the education and the health sectors. UNHCR gave more than \$11 million late last year to help the Government of Jordan in particular provide improved medical services and facilities. In Syria, the Syrian Arab Red Crescent and the Government are also providing services. In Syria more than 147,000 Iraqis have been interviewed and have been assisted in terms of the formal process of registration, and in terms of food assistance also in Syria there is provision by UNHCR and by the World Food Programme. So there are certain steps being taken by the international system, there is some action being taken by the Government of Iraq itself, and there have been certain actions taken by the Government of Syria and the Government of Jordan.

**Q27 Richard Burden:** At the risk of perhaps exposing too much about one of those political sensitivities, could I ask you if there are any particular issues in relation to the question of double refugees? Some of those that have been displaced from Iraq would themselves be refugees in Iraq; in other words, Palestinians living in Iraq who are then displaced from Iraq, and other Palestinians living in Syria, Jordan and elsewhere. In terms of the push and pull factors, are there any particular angles on that that are different to other Iraqi refugees or are they much the same?

**Mr Alexander:** That was certainly not something I picked up when I was in either Amman or in Iraq itself, and I have not seen figures with any kind of breakdown suggesting there was a particular Palestinian cohort within the Iraqi population. Giles, have you seen . . .

**Mr Lever:** No, I am not aware of it, Secretary of State.

**Q28 Richard Burden:** Do you expect, given the sensitivities that you are talking about, the rate or the flow of returnees to Iraq to be growing significantly over the next few months or not?

**Mr Alexander:** I am reminded of the American politician who, when asked a similar question, said, "I don't make predictions, least of all about the future." Clearly, we would all wish to see a situation in which the security situation improves. All of us recognise the real but fragile progress that has been made in recent months and I think all of us would recognise that probably the biggest single determinant of the environment in which the population has left has been one of security and violence, and in that sense all of us would wish to see an accelerated rate of return reflecting improved circumstances on the ground but I do not think one can predict with confidence at this stage what will in turn be the security situation, the progress on political and economic development and, indeed, the process of political reconciliation within Iraq to the extent that could allow you to put any kind of numbers on that. Giles, from the Foreign Office point of view, is there anything you would add?

**Mr Lever:** No. I similarly would not want to venture a prediction. I would just add that I feel perhaps we have slightly underplayed the degree to which Jordan and Syria are to be commended for hosting and taking in such very large numbers of people. As a percentage of the overall Jordanian population in particular, we are talking very high—I cannot remember off the top of my head—maybe 15–20% or something like that. It is a huge burden for any society to absorb and what those Governments have done needs to be recognised and commended.

**Q29 Chairman:** UNHCR said to us that the degree of displacement was comparable to Sudan, and yet there is a lot more attention given to Sudan than this region.

**Ms Hendrie:** One thing I would add is that we know that for the people who have been coming back from Syria it is partly a pull factor given the security situation but also people are starting to run out of savings, so there are push factors to worry about as well. The coping mechanisms are being stretched thin. It is running in both directions.

**Q30 Richard Burden:** Is there anything that we can be doing or that needs doing, whether or not we are the best placed to provide that, to build capacity amongst the Iraqi Government to encourage or to help them cope with any substantial increase in the flow of returnees?

**Mr Alexander:** I think the more immediate challenge which the international system has been endeavouring to deal with is this issue of invisibility of the refugees themselves in the sense that in some ways this is a function of progress if you are dealing with the consequences of significant returns. One of the more immediate challenges that the international system has been thinking about is how you identify this population presently hosted within Jordan and Syria. In Syria there are more than 147,000 Iraqis who have been interviewed and received registration papers, while more than 50,000 have been registered in Jordan. What in practical terms that means is they have received papers documenting their claims and needs for medical care, psychosocial counselling, food and other aid that can be addressed, and in terms of identifying relative vulnerability I think it is a fair judgment to say the greatest point of vulnerability is where, either for reasons of visas having run out or simply an inability to access the formal economy or formal services, the need is greatest. Clearly, as the security situation improves, if we see the improvement we would want to see, there is a complementarity between an improvement in the processes of delivering security and delivering the Government capacity necessary to provide an equivalent service for those returning to Iraq, but our immediate focus has been on saying how do you deal with those most vulnerable outside the borders of Iraq.

**Q31 Chairman:** Related to what Richard Burden has been exploring and which I think you touched on when you dealt with the World Food Programme, Secretary of State, is what people call the internally

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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stuck rather than displaced. In other words, they are in their own homes but with no income, no employment, no access to services or food, and they do not have visibility either. The suggestion is that, and I guess this is where your 12 million figure came from, 4 million are food insecure and 8.3 million are at risk of food insecurity without the PDS. That is absolutely huge, and the point which seems to be absolutely critical there is if you cannot create a functioning service then that is about as dysfunctional as a state can get, I would suggest.

**Mr Alexander:** You are rapidly heading towards 50% of the population in those circumstances and in that sense I think that perhaps accounts for the—not hesitation in the face of the challenge in the PDS, but at least our recognition for the moment as to quite how vital that service is in ensuring delivery of food supplies. But you are right to recognise the challenges are very real and multiple in character, whether it be the need for access to the funds that are still being generated even amidst the security challenges and the poor infrastructure of the oil economy, the significant overwhelming bulk of the economic growth generated last year in Iraq is accounted for by oil exports but that money is available to be spent, and the challenge is to be able to provide the services through increased government capacity, deliver the security that allows people to function and, in turn, use the space created to have a functioning economy.

*The Committee suspended from 3.33 pm to 3.43 pm for a division in the House.*

**Q32 John Battle:** If I could return to DFID's funding, or DFID's spending in particular, because DFID has spent, I think, over £500 million now since 2003, and that includes the EC<sup>12</sup> contributions, have any evaluations been made of that spending? Has there been any tracking of what it was targeted on, and to what extent the targets were met? How has it been spent?

**Mr Alexander:** In total we, the United Kingdom, pledged about £744 million for reconstruction in Iraq.

**Q33 John Battle:** That was the allocation, was it not?

**Mr Alexander:** Yes, since 2003. We have disbursed over £680 million of that. That includes just over half a billion pounds, £503 million, spent by DFID, but that includes the EC contribution and our budget for 2007–08 is £30 million, of which £15 million broadly is humanitarian. The programme is currently focused on the humanitarian needs that we have been discussing, meeting the needs of internally displaced people and the refugees' humanitarian needs, and then critically enhancing the capacity of provincial and central government, about which we have spoken, to manage and spend funds reflecting the insight that Iraq is not a poor country but we need to facilitate the means by which we can spend money, and the third priority area, along with humanitarian and the capacity of Government to

spend its own money, is economic development in the south reflecting the particular emphasis we have had in Basra. That in turn accounts for some of the expenditure which in very physical terms is accounted for in terms of these water towers and the other projects that have been taken forward. We have spent over £100 million since 2003 to improve the power and the water supplies in southern Iraq. That means more than a million people having had access to clean water as a result of the steps we have taken, and also more than a million people having access to electricity and power supplies in the southern part of Iraq. By the time all the power and water projects are complete we will have achieved that outcome. In terms of the other work we have been taking forward, there are standard mechanisms by which the ICRC and others account for the expenditure that has been committed through those mechanisms, and of course we have procedures in place in terms of ensuring that the money that is committed to support the Government of Iraq, which is the third piece, is also accounted for.

**Ms Hendrie:** In terms of our support to international organisations such as ICRC, UNHCR, et cetera, we ask for regular reports including financial reports about how they are spending money and monitoring information. That has proved more challenging on the IRFFI expenditure and we hope that the review that has been put in place now starting this month will give us a much better idea of impact. In terms of the big multi-year programmes that we have running for our core capacity-building, there we have standard DFID reporting and review and evaluation processes which happen on a regular cycle. Every six months there is a review.

**Q34 John Battle:** I would imagine—I do not mean the question to be hostile and I am not suggesting we have lost money --

**Mr Alexander:** What a way to start a question!

**Q35 John Battle:** No—I have been in a situation where we have spent the money and other people have blown up the facilities, health and education that we have contributed to building, and Palestine is a case in point, and in a sense it is easy to measure the infrastructure of those projects. Where I think you are breaking new ground in development is spending on capacity-building and on good governance and new structures, and I imagine that is new ground to measure or to target and to evaluate. The evaluation systems there are very leading edge in a way, and I would like you to share them with us a bit more, and then I am going to ask you whether they will apply in places like Sierra Leone and elsewhere, because it is easy for people to say, "Build wells and schools and pipes and everyone will put their hands up and applaud you for it", but that more difficult capacity-building, tracking it, evaluating it and nudging it along and setting it up as a template, to me would seem to be much more difficult. How are you getting on with it?

**Mr Alexander:** One example immediately came to mind as you described it which was the work we are doing in support of what the Prime Minister

<sup>12</sup> European Commission

challenged us to do in terms of economic development in the south. One of the core areas in terms of facilitating economic development in Basra is ensuring that the Provincial Council is able not only in political terms to prioritise but then deliver against its identified priorities. Essentially, returning to the question the Chairman asked me, if you see a relatively more stable Basra, how does the community judge that that is in turn resulting in improvements in their lives in terms of physical infrastructure or changes? Perhaps the most graphic illustration is the scale of spend of the Provincial Council in the sense we have been working very closely through the PRT<sup>13</sup> and with our colleagues in the Foreign Office to build the capacity of the Provincial Council to place contracts, to make sure reconstruction and development work is undertaken within Basra, and from a standing start there has been real progress in terms of funds allocated, as I recollect more than 200 projects out of 212 this year. That in some ways is the best example of where capacity-building is too often a description for something where people struggle to find any kind of metrics at all, and I asked the same question.

**Ms Hendrie:** It is challenging to find the metrics. With the Basra Provincial Council, metrics have been around, as the Secretary of State said, the ability of the provincial government to produce a costed prioritised budget plan and, indeed, a multi-year budget plan and then to spend against that plan in a reasonably effective way, and the evidence that that is happening is the plan and the published budget and then evidence of budget execution, which is measured in a variety of different ways, so you have a stage of budget execution when the contract is let, then when actual work starts, et cetera. It is quite challenging to measure these, partly because in the Iraqi Government budget system money can be carried over from the previous year, so what is happening at the moment is the Provincial Council is spending, and spending quite well at quite a rapid rate, but they are also spending from 2006 as well as 2007. At the moment we are looking at about a 23–40% execution as we come up to the early bit of the budget year. Last year for 2006, and again it depends how you count it, we had a lag in spend at the Provincial Council level, but according to the statistics we have from our team there 82% of the contracts were executed in the sense that they were let. That does not necessarily mean the money has gone out the door, and again in the Iraqi system you pay once the work is finished, which is also a significant challenge. In terms of other capacity-building work in the centre of government and how you measure some of our work with the Prime Minister's office and particularly the Council of Ministers' Secretariat, which is in effect the Iraqi Cabinet, we set outputs for ourselves which were about whether regular committee meetings took place, whether anybody recorded the decisions taken, and whether those were subsequently given to the line ministries to action, and you can know whether that has happened and we have seen some improvement in that such that there is a reasonably functioning

Council of Ministers' Secretariat. The trick is then the execution of those decisions but it is possible to measure these things. It very much depends how you draw the initial logical framework and what you measure yourself against, and in some cases we have been overambitious. We have tried to look for big transformations and then we have scaled back to look for more practical things we can measure.

**Mr Alexander:** Just to illustrate why that example is of general relevance, in 2006 Iraq spent only 23% of its investment budget, so the capacity to allocate contracts against them is key. The Finance Ministry has now accumulated reserves of over \$10 billion which it is not at the moment in a position to spend. I imagine that would be a pleasant problem for Alastair Darling but the truth is we are in a similar position of seeing, while infrastructure is familiar and is identifiable, our serious responsibility is to assist the Iraqis in a discrete set of challenges which are to spend the money which they themselves have generated effectively, and there has been real progress in Basra in recent months but it is very difficult to disaggregate what portion of that can be attributed to technical assistance and what to a more functioning politics.

**Q36 John Battle:** I think I am reacting to your view in the past that I thought it was unfair that the NGOs are always asked: how much have you spent on projects and how much have you spent on administration? There is always this pressure to do it on fresh air and you do need the institutions to deliver the aid that goes out there, and I am really looking at your budgets now and saying you are moving in that domain where some of your funding is not direct building projects but could be people and could be revenue costs, and they are always the ones that are under the pressure of why are you spending money talking to someone to tell them to do it, and I am asking the question of whether we can find ways of spelling out that that can be evaluated, targeted and move things on. It would not be a bad thing to put in your report, dare I suggest, and make more transparent and upfront, because it is actually suggesting that institution building is key to development, and I am not sure we are getting there because people are still thinking if you build wells and roads it is development, and you do not need institutions. I think you really do.

**Mr Alexander:** The positive figures that we have offered you are the benign interpretation in terms of the real progress that has been made. There is also another explanation for where we now are in terms of priorities identified which is that since 2003 the Coalition has spent vast sums of money, \$32 billion, but that itself has not solved Iraq's underlying problems or provided a sustainable growth path. That relies on not just security but politics and capacity to spend, and in that sense we would not want to be in a position where on behalf of the British taxpayer or in evidence before your Committee we are suggesting that it is a scarcity of resource that is the principle inhibitor to the development of Iraq. It is a far more challenging, coming together of politics, security and capacity to which money can make a

<sup>13</sup> Provincial Reconstruction Team

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31 January 2008 **Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie**

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contribution if appropriately directed, but it is not principally a scarcity of resource that lies at the root of this problem.

**Q37 John Battle:** And sometimes that is more difficult to argue for in terms of development than actually saying “There is the money; it went on that project”.

**Mr Alexander:** Exactly.

**Q38 Chairman:** If I can just follow on from that. First, this Committee welcomes the diminution of the DFID budget for Iraq for just the reasons you have stated—there are other middle-income countries where maybe the money could be more effectively spent and where resources could be released, but specifically John Battle has been talking about what you are doing to help capacity, but can I put it the other way around? In Iraq the Government has the money; what is stopping it from spending it?

**Mr Alexander:** Probably it would be safe to seek the refuge of the Foreign Office at this point in the sense that, reflecting conversations I had with General Petraeus in Baghdad, there is no doubt that the capacity, for example, to sustain economic reconstruction in the south cannot be disaggregated from the functioning of governance at the centre, and in that sense while there has been welcome progress in recent months in terms of the engagement of Prime Minister Nouri al-Maliki and his deputies, and some progress at least on the de-Ba’athification law, if not yet the progress we would like to see either on the provincial powers law or the hydrocarbons law. There is no doubt that the inability to find both political reconciliation and the pace of progress we want to see in the political institutions within Iraq have inhibited the economic and social development that we are keen to see.

**Mr Lever:** There is a very wide range of factors at play here, of course. As the Secretary of State has said, security is number one. The lack of technocratic capability in line ministries is in part due to the drain of educated professionals from some parts of Iraqi society, and, as I mentioned earlier, the fact that the relationship between the centre and the regions is not yet clearly defined, the respective powers of each, and also the technical ability of the centre to understand what the regions want and need in terms of development, the regions’ ability to make that case convincingly to the centre and then the centre’s technical ability to channel the money down to the regions. But what we are seeing in all cases in this area, Mr Chairman, is signs of improvement and growing Iraqi willing capacity to do the things themselves rather than do them at our behest. Just to give you a couple of very subjective examples of this: in early 2007 an event was held in Baghdad called the Basra Development Forum which brought together essentially the representatives of the Provincial Council, local politicians, the Governor and the Deputy Prime Minister --

**Mr Alexander:** I was there too.

**Mr Lever:** The early December one? The first one was in early 2007, it was all broadcast on live TV and was a very good opportunity not just for the Iraqi

players themselves to engage but for the man in the street to see that there was a process of government going on here where their elected representatives were engaging with the Government in Iraq and they were being told what they had to spend, and the people understood that that money should be coming their way to be spent and in turn were able to take that into account in their voting intentions in the future. The one that happened in early 2007, the first one, we gave an enormous amount of support and encouragement to in terms of supporting the administrative arrangements, helping the Iraqis with preparation of the agenda, and so on and so forth. The one in December, although the Secretary of State was there and perhaps he is better qualified to talk on it, as I understand it was a much more Iraq-led initiative. This was the central Government and the local authorities themselves saying let’s have another one of these events, the last one was very good, we can run this more or less ourselves. So it is not the case that the degree of support and encouragement and assistance that we are providing remains flat all the way through; we can actually see many people in the Iraqi system building on and learning from what we have helped them do in the past. Another rather subjective example but I think a good one nonetheless would be, for example, the provincial development strategy in Basra which is drawn up by the Provincial Development Committee, part of the Provincial Council. In previous years we have given an enormous amount of assistance to the Provincial Development Committee to help them draw up the development strategy, checking at every stage, facilitating their discussions with other Iraqi stakeholders and so on and so forth. This year for their latest, 2007 revision of the provincial development strategy much more of that work has been led and done on an own initiative basis by the Iraqi stakeholders in Basra with a much reduced input from us, and the quality of the product is clearly improving. The 2007 revision has an annual fiscal strategy in it; it has a sector-by-sector top-down prioritisation clearly marked; it is not finalised yet so perhaps I should not say too much but these are examples of how the torch is passing, as it were.

**Mr Alexander:** Taking up that example, when I arrived in Basra there was clearly real concern amongst our staff and the FCO staff supporting us in the Provincial Reconstruction Team given that they said: “Secretary of State, this really is an initiative of the Government of Iraq; we are not really sure what tomorrow will bring for you in terms of whether the meeting will function and what will be said”, and in some ways that was much more eloquent testimony to what we have described, that this had been captured in the best possible sense and run by the Iraqi governments themselves. As it turns out the key political significance was not simply that the whole event was broadcast so that the population of Basra saw their Prime Minister and their Deputy Prime Minister publicly committing themselves to development of the south, but also the very clear reconciliation between the Governor of the Basra area and the national political leadership. There

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31 January 2008 Mr Douglas Alexander Mps, Mr Gile Lever and Ms Barbara Hendrie

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simply had not been either that private interaction nor the public affirmation of the determination to work together in economic development for several months, at least preceding the meeting in December, so in that sense—and one should be careful not to overclaim and not to overstate—but that was a very powerful example of what has been described to you, that it is slow, often painfully slow, but nonetheless there is no doubt that there are individuals within the Government of Iraq determined to assume that responsibility on a tighter timescale than has sometimes appeared apparent in recent years.

**Q39 Chairman:** I understand that DFID has a project with the Ministry of the Interior, and we were told that it has focused on strategic planning including administrative controls to reduce corruption and clarify the legal and constitutional framework and human resource management. What stage is that at and what kind of impact has it had?

**Mr Alexander:** I was talking to Giles before the Committee in terms of the Ministry of the Interior and the work that is being done, and from, again, a relatively low base we were quite encouraged in terms of the progress being made with the support of what the United Kingdom is doing.

**Mr Lever:** A huge amount of Coalition effort has gone into supporting work with the Ministry of the Interior as a whole because obviously they control the police and the criminal justice system which is key to the functioning of the rule of law and to developing the Iraqi security force capacity, which I use as an umbrella to cover the army and the police, to tackle crime and violence with a much reduced need for international support. So there is a much broader and very large scale international effort going in to support and help the Ministry of Interior to train and equip police and also to develop the rule of law sector, and we are contributing to that in various ways. At a general level we are reviewing our overall strategy for supporting security sector reform and the rule of law in Iraq with DFID and MoD<sup>14</sup> and others.

**Q40 Chairman:** So this is not a DFID project; it is a project in which DFID is participating?

**Mr Alexander:** It is GCPP<sup>15</sup> and will become part of the Stabilisation Aid Fund, as I recollect.

**Ms Hendrie:** That is right. As of the end of this financial year it will no longer be a Global Conflict Prevention Pool project; it will be part of the Stabilisation Aid Fund, and in that sense it will become part of a broader effort. So we have had the Ministry of Interior Capacity Building Programme, the police work and various other law and order initiatives spread across and managed by different departments. They will now all come together under the Stabilisation Aid Fund so we can get synergies between the two. On the Ministry of Interior project we are the only civilian agency working in the Ministry of Interior—not physically in it but with the Ministry of Interior to build capacity. The only other group that is there is part of the multinational

force, their capacity-building arm, so it is quite a challenging project for us. We have focused on the hard-wiring of the administration of the Ministry, so nothing that would compromise us in terms of the International Development Act—we focus on human resource management, procurement systems, legal advice and getting basic administration processes up and running so that the Ministry of Interior can actually function as a department, and one of the things we have seen in terms of impact is it shows you how fairly straightforward administrative processes can have a political impact in the human resource management. The Ministry of Interior now has a system where, if it wants to let go of policemen or employees of the Ministry because they are associated with sectarian interests, they can do that on the basis of a performance review, a proper human resources performance review. It gives the Minister and his top team a set of tools to manage some of the tougher issues the Ministry has to deal with. So that is a project which has been quite a tough slog because security makes it very difficult, but where we feel we have made reasonable progress—I would not say significant progress. That might be too optimistic.

**Chairman:** It occurs to me this might be appropriate for Afghanistan given the problems of the Ministry of Interior there and lessons to learn!

**Q41 Mr Singh:** Going back to health for a moment, and the capacity constraints of the Iraqi government, but also the reserves that they have, why is it so difficult for them that they cannot even buy sufficient antibiotics or medical supplies for the hospitals? That seems a simple enough task to me.

**Mr Alexander:** As I say, this is not a sector for which we have lead responsibility in terms of the international community. On one level, of course, you are right, that it should be a fairly straightforward process in terms of supply chains to be able to get materials in. On the other hand, often there are genuine constraints in terms of physical security and the ability to move supplies around reflective of the security situation, and also I would not underestimate the capacity work that needs to be undertaken at the central Ministry itself even for the most basic procurement tasks. I was hearing earlier in terms of the Ministry of Health some of the difficulties that the sectarian nature of some of the politics in recent years has imposed on the basic function of ministries, and in that sense when you have politicians who have not seen their primary responsibility in every instance as being the advancement of health policy but rather having secured a Ministry and thereby sought to advantage their own community by holding that particular Ministry within the Government, then even some of those very basic tasks do not get achieved.

**Q42 Mr Singh:** I only ask that because whatever mistakes we have made or whatever we can be blamed for in our handling of Iraq it seems unfair to be blamed for things like this now, which the Iraqi Government could pay for, and yet the public perception will be that somehow it is our fault.

<sup>14</sup> The Ministry of Defence

<sup>15</sup> Global Conflict Prevention Pool

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31 January 2008 Mr Douglas Alexander Mps, Mr Gile Lever and Ms Barbara Hendrie

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**Mr Alexander:** That is a difficult message for us to communicate because clearly we work very closely with the Government of Iraq and we have to work with those who are democratically elected, but on the other hand I think there is a very clear responsibility on those who seek elected office to work in the public interest and in that sense I would not diminish the difficulties that the character of Iraqi politics has imposed on even the most basic functioning of government in recent years because, as I say, if people are concerned to advance factional or sectarian interests at the cost of even the most basic tasks of government departments, then you can have technical assistance, you can have financial resources, but the leadership and orientation of the work of government will be directed towards objectives other than the ones we would all want to see.

**Q43 Mr Singh:** Moving on then, I have said that the acronyms in the development business continue to defeat me, and now I want to ask you questions about the IRFFI, or the International Reconstruction Fund Facility for Iraq. How is this operating, and what is this fund delivering on the ground to improve the lives of the Iraqi people?

**Mr Alexander:** Well, I am the Secretary of State for International Development and I feel myself swimming in a sea of acronyms on a daily basis, so we are on common ground on that! The International Reconstruction Fund Facility for Iraq has been one of the principal vehicles for delivering international donor assistance. It has two principal trust funds, one operated by the World Bank, the other by the United Nations, and in total about \$1.77 billion has been committed to reconstruction funds via IRFFI, which was established post the Madrid Conference, I think, as the chosen vehicle by which not just the principal multilaterals and the major donors but a number of small donors who did not have the capacity to contribute funds directly, chose to contribute. In 2004 DFID gave \$127 million to IRFFI, but since then there have been other mechanisms by which we have contributed funds. In terms of where the funds go, in our judgment the UN and the World Bank split project proposals, given that there are the two trust funds, for approval to an Iraqi Strategic Review Board, which is an Iraqi-led co-ordinating body led by the Minister of Planning and Development Corporation, and almost 200 projects have been completed or are under way under IRFFI funding, 178 under the UN trust fund and approximately 16 under the World Bank. In terms of its utility, has it worked? We would say the following. Firstly, it has been a useful instrument for ensuring the capacity of smaller donors to make a contribution to the reconstruction efforts, and contribute to the outputs we have described. There is no doubt that there is scope, nonetheless, for improvement in terms of co-ordination. Given my support for the UN as an institution I do not wish to appear overly harsh but it can bring with it in these circumstances bureaucracy and the need for stronger co-ordination, and IRFFI is no exception to other bodies where the UN is essentially involved.

There does need also to be better alignment through the International Compact for Iraq, basically the instrument by which we are able to be sighted on the reforms and progress that the Government of Iraq is making in return for the resources that are being committed, and IRFFI more generally. A meeting was recently held in Bari in Italy on 29 October. Looking at this whole issue we made reforms to the terms of reference to ensure that IRFFI is better aligned both with Government of Iraq objectives and also with the Compact I spoke of. In terms of David Shearer, who some of you may have had the chance to meet in Amman, I think he is very much on the case in relation to IRFFI and sees some opportunities for strengthening its functioning, so I think though it has proved to be valuable, it is certainly not beyond improvement, but David Shearer is the individual who we hope will be able to move it forward.

**Q44 Mr Singh:** Are all the international pledges to this fund fulfilled, and, secondly, I understand a review is going to be undertaken which we will be participating in. Did we call for this review and what prompted it?

**Mr Alexander:** The review, as I understand it, is currently being arranged by the Donor Committee and in that sense it was a judgment by the Donor Committee and we contribute to the work that IRFFI takes forward, and that is not so much looking at the functioning of IRFFI, as I understand it, as much as the impact of IRFFI. The principal focus of the review is not the structure per se of the institution as much as what was the impact being achieved. Independent consultants are going to be appointed, Canadians from recollection, who will be looking at this whole issue but, as I say, I took the opportunity when in Amman, and Barbara was with me, to talk to David Shearer in terms of his thinking about the functioning of IRFFI, because as well as ensuring that we have the right impact we also want to make sure that the alignment in terms of processes is in place.

**Ms Hendrie:** One of the things David has done is get rid of the cluster system, where money was allocated to different clusters but actually those were not necessarily aligned with either Compact or Iraqi Government priorities, and replace them with sector working groups which have a foothold in Baghdad. He has also shifted the attention of the IRFFI agencies, or the centre of gravity of policy discussion, from UN agencies based in Amman to working groups linked with Iraqi Government counterparts in Baghdad, and that is something we have been consistently messaging and pushing for, that the centre of gravity really needs to be in Baghdad working closely with the Iraqi Government and lined up with the Compact.

**Mr Alexander:** Obviously we are supportive. The other point that I should have made, reflecting back on the conference that took place in October in Italy, is that one of the options that was raised, and was recommended indeed, was that there should be more co-financing between IRFFI and the Government of Iraq, and that really brings us back to one of the

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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central themes of this afternoon which is that if the Government of Iraq has the resources, if you are trying to build the capacity and leadership of the Government of Iraq on these projects, then there is a question as to whether you get a greater impact in dividend if you are able to co-finance which strengthens Iraqi leadership, and also makes sure that some of the benefits are being spent effectively.

**Q45 Mr Singh:** Are all the international pledges to the fund fulfilled?

**Mr Alexander:** I am not aware there has been a difficulty.

**Ms Hendrie:** It is rather a problem of disbursement of the money in the fund. There is still money in the fund that is moving very slowly through the system, partly because of the Iraqi Government process for approving projects.

**Q46 Ann McKechin:** You were talking about the appointment of David Shearer and the improvements you believe he has made. Do you consider the UN now has a sufficient staff presence in Iraq given that it had a much depleted staff for quite a considerable period, until quite recently?

**Mr Alexander:** Given the tragic events of recent years involving the UN within Iraq it is a matter of great sensitivity both within the UN and within Iraq itself, and given the engagement of the UN on the sanctions regime previously there is sensitivity in terms of the engagement of the UN. That being said, we are strongly supportive of the work that the UN is taking forward within Iraq; we would hope that, as the security situation improves not simply the UN but other members of the multilateral family will be able to take a larger role within Iraq, taking into account its status as a middle-income country albeit with humanitarian challenges, but not simply did I have the opportunity to meet with David Shearer in Amman but I also met with the head of UN Operations within Iraq when I was in Baghdad and communicated both our admiration for his leadership post the events of the Canal Street bombing in recent years but also our encouragement for the work of the UN within Iraq in the future.

**Q47 Ann McKechin:** You have mentioned that the UN is increasingly engaging with different sectors of the central government. To what extent do you consider it is making appropriate use of civic society in Iraq, and NGOs in its work? Has it been able to come out of the Green Zone to any extent and engage with other people?

**Mr Alexander:** Before we come on to civil society I think Giles has another point to add on the UN.

**Mr Lever:** Obviously I would defer to DFID on the specific agencies that are concerned with humanitarian needs but I would just make a general point about UNAMI, the UN Assistance Mission to Iraq as a whole. In 2007 UNAMI got a new mandate in the form of Security Council Resolution 1770 and that is really a very broad mandate for it. It is a very long menu, if I can put it that way, of things it can do and the challenge for the UN now is to decide in which areas it can add value. We are very

encouraged by the way the new Special Representative for the Secretary General Mr de Mistura is tackling his role and taking things forward. We have very close consultations and contact with him in Baghdad; he is actively looking at areas in which the UN can support both the political process and also issues such as humanitarian concerns and refugees/IDPs. On security and the UN having personnel in Iraq, I understand, although I do not have any statistics I can quote, that UN numbers in Iraq have been growing over the course of the past year. There is an issue about the UN needing new premises in Iraq or in Baghdad, and that is being taken forward within the UN system at the moment and, again, Mr de Mistura is driving that forward and taking a very active role. So broadly we would say the overall trends in terms of UN involvement and engagement in Iraq recently are very encouraging.

**Mr Alexander:** Specifically on NGOs it is the case that a number of the UN agencies work through NGOs in terms of their humanitarian work, but it is also fair to acknowledge that there was some disquiet among the NGO community that they did not access more of the IRFFI funds at an earlier stage, and in that sense it is clearly an area that does need to continue to be worked on by the UN.

**Q48 Ann McKechin:** Finally, this is the first large scale project where we have had a co-ordinated One UN approach. Is it working effectively, and are there lessons we can learn from the experience which we can use elsewhere in conflict situations?

**Mr Alexander:** In terms of the specifics we are encouraged by the leadership that has been shown by the UN and by the UN head within Baghdad. I think it is suggested that the number of staff be increased to 88 in Baghdad, from recollection, and in that sense they are on an upward trajectory although they are always mindful of personal security issues. I received relatively positive feedback from them in terms of their experience of the One UN pilot; that is not saying it is perfect, there is a lot more to be done. We have, of course, as a British government been extremely supportive of the One UN initiative. As recently as this weekend I took the opportunity to speak both with Kemal Dervis of UNDP and Josette Sheeran of the World Food Programme to discuss with them how best we can see the kind of progress that we want to on the One UN initiative, and I was thinking it is evolving in the sense that if I had been in front of the Committee four or five months ago—if I had been in front of the Committee seven or eight months ago I probably would not have heard of the One UN system but it was very high on the agenda when I came to the Department, and over the summer we were working hard to see how we could best advance the One UN agenda within the UN system. Our thinking at that stage was to see how we could scale up the number of One UN pilots from countries like Iraq and Vietnam as quickly as possible and grow the legitimacy of the One UN system by increasing the number of pilots. Partly I have to say on the basis of a conversation I had with Kofi Annan when he was here to talk to me about

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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issues related to Africa, I took the opportunity when we met in the Commons to say: “You have, with respect, forgotten more about the United Nations than I have ever known; give me your judgment about how best we can share the learning that has been accumulated in countries like Iraq about the One UN system. Should we aim for an ever rising number of pilots, or should we seek to mainstream the learning of the One UN pilots immediately?” And he said: “It is a private view, obviously; I am no longer on a day-to-day basis receiving the information but my long experience suggests you should mainstream those kind of initiatives as quickly as you can”, and in the conversations I had this weekend both with Josette Sheeran of the World Food Programme and Kemal Dervis of the UNDP that sentiment was strongly echoed, that we now have enough learning out of One UN pilots like Iraq, like Vietnam, and so on that we should be actively seeking to mainstream those lessons as quickly as possible. So in that sense Iraq is only one of eight pilots originally put in place, but we have gained learning from there and from across the whole of the range of pilots that are being operated, and we are very much in the camp of saying that we need to try and make sure that we now mainstream those lessons as quickly as we can.

**Q49 Richard Burden:** Moving back to the issue of civil society and, first of all, the three programmes that you reported in September the United Kingdom had supported and had been completed. Do you have any assessment of benefits or problems that occurred from those? Any lessons?

**Mr Alexander:** Let me give you some statistics briefly and then explain to you the judgment we made in terms of the programme. Clearly it is a given that we would want to see a stronger active civil society within Iraq as in other development contexts. We have spent about a million pounds on training 182 journalists in international journalism, photojournalism, news feature writing and news security training. Our £10 million programme has also led to the creation of independent radio and television stations which in 2005 began the first ever independent broadcasts principally in the south of Iraq, and through the Civil Society Fund and Political Participation Fund we supported partnerships between international and Iraqi NGOs. In light of those kinds of achievement you might then say why have you closed your civil society programmes? Because that was the judgment that was reached and the programmes closed in May 2007. Essentially it became increasingly difficult to identify suitable partners, that being at the point of those maximum levels of violence around July 2007, and ensure sufficient fiduciary risk controls in the sense that it is not difficult to find people who will take money, but organisations who are capable of having the capacity to give us the assurance we wanted and reasonably sought on behalf of the British taxpayer was proving increasingly difficult. That is not to say it is not part of the development story to say how do you build the capacity of small organisations to provide that level of traditional risk

assessment, but again it reflects the fact that if you look at the core priorities we identified provision of humanitarian support to those inside principally but also outside the country, government capacity-building given that the resources sit within the Iraqi Government, and, thirdly, economic development in the south. Building that strong and active civil society, while vital and important, was not one of the specific areas that we identified for ourselves as being a priority working.

**Q50 Richard Burden:** So are you planning a further phase of civil society support? Because back in September, even though the previous one had come to an end, the indications were then that you were planning a further phase. Has that now been shelved?

**Mr Alexander:** We are keeping our NGO funding under review, and we continue to fund a number of NGOs through our humanitarian work, and in that sense I would not sit here today and say we will not fund NGOs; indeed, we continue to fund NGOs at the moment. Equally it is reasonable to be clear that the focus of our work is on those three priorities—capacity-building within the government, the humanitarian needs that have been identified, and economic development in the south.

**Q51 Richard Burden:** Has any assessment been made since funding ceased on those programmes about any effect that has had? Even if it was difficult to maintain the funding for the reasons you have said, has the cutting-off of funding led to those kinds of projects collapsing, or are they carrying on and finding other ways of doing it? Have other players moved in to take them over? In other words, what is the impact of the gap that is now there?

**Ms Hendrie:** Another factor that fed into our review and thinking let’s pause and take a breath on the civil society side was that USAID<sup>16</sup> had quite a massive fund for civil society work which was coming on-stream and being contracted at around the time ours was coming off-stream, and given that they were such a big player with several hundred million US dollars it was not our sense that we would be leaving partners high and dry, or leaving that sector high and dry. We had a lesson learning workshop in January 2007 before the project finally closed and learned a number of lessons, some of which are general and some of which are quite specific to Iraq. The specific-to-Iraq lessons were mainly about in that kind of environment how incredibly labour intensive and high risk supporting Iraqi NGOs in a responsible way was. We had a network of regional advisers who would go out to meet civil society organisations who were Iraqi nationals, and we were very conscious of the risks they were facing in doing that job and then coming back to report to us in the international zone, but that very high transaction cost and in that environment very expensive input was something that paid off for the particular period of time where those programmes were running to support the political process and constitutional

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<sup>16</sup> The United States Agency for International Development

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31 January 2008 Mr Douglas Alexander Mp, Mr Gile Lever and Ms Barbara Hendrie

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parliamentary elections, but then afterwards we felt that actually as there were big players like USAID on the scene it made sense for us to take a breath and look and see where our comparative advantage would be.

**Q52 Chairman:** Can I thank you for your evidence? You have been very frank in terms of the challenges and the difficulties and the uncertainties, as well as indicating where you feel that DFID is being able to make a contribution in what is a continuously difficult situation. I wonder if I might slightly abuse the advantage of having you in front of us only in as much as we will be deliberating our report on Afghanistan next week? This morning there were two reports, one from Oxfam and one from a US source, saying, in the case of Oxfam, that they were facing humanitarian disaster or catastrophe and I think in the American one that the lack of donor co-ordination could lead to a failed state, particularly the lack of confidence between the Afghan Government and the international community. I appreciate that both of those came from sources which have an agenda, but is there anything you feel you can say to us when we have a report to write?

**Mr Alexander:** Yes. As you can imagine, when I heard the *Today* programme this morning I made an early phone call to the Department asking for sight of both the reports. I think in fact there were three reports, two American and one by Oxfam International, and in deference to my need to prepare for this Committee they are sitting in my box waiting to be read at the moment. That being said, I would make the following observations. Given that 80% of our spend in Afghanistan is through the Government of Afghanistan, we have been unyielding in our support for efforts for greater donor co-ordination, but I think it puts us in a somewhat different category than many of the other donors in the sense that we have, for some of the reasons in very different circumstances that we have been discussing today, been keen to build the capacity of the Government of Afghanistan. Why has there been such emphasis there? Because in one of the conversations I had with Paddy Ashdown he put it brilliantly where he said: "We have a highly centralised state and a highly devolved series of expectations in terms of service delivery", and actually connecting the government in Kabul to the delivery of services, whether it be by the Shura or by other mechanisms at community level, holds with it a very fundamental question for the future of Afghanistan, and in that sense our judgment has been not simply to support efforts that are being made at a local level but again to build the capacity of the central government. In Development Questions yesterday, as you heard, I placed on record our sorrow that Paddy Ashdown, for reasons we completely understand, withdrew his name, but that does not diminish the need for the co-ordination that the Oxfam report identified, and in that sense there will not be a disagreement on the part of the

British Government in saying there needs to be a strengthening of the efforts of co-ordination, but ultimately the judgment as to who the Secretary General's Special Representative to Afghanistan is must lie with the Secretary General. I last saw the Secretary General on Friday when it was still contemplated that Paddy Ashdown was a candidate, but I think the Secretary General recognises that, in the appointment of a Special Representative, there is the opportunity to identify a figure who can achieve some of the co-ordination that is required, but obviously, as Paddy put it eloquently in interviews he did in the United Kingdom on Sunday, in order to be effective that person also needs to enjoy the support of the Government of Afghanistan, and in that sense it is not simply a matter of finding somebody who is acceptable to the international community; it is essentially to guarantee failure if the cost of being the identified candidate of the international community precludes that international community --

**Q53 Chairman:** It might also apply that anybody who is likely to be an effective co-ordinator may not have the approval of the Government of Afghanistan.

**Mr Alexander:** I am cautious of saying this but I remember the line of Jimmy Maxton, the great Scottish socialist, who said if you cannot ride two horses at once you should not be in the circus, and in that sense one of the reasons we were strongly supportive of Paddy Ashdown as a candidate, although he was not a candidate of the British Government we were supportive of him being a candidate of others, was because he has very considerable political skills which would have allowed him to navigate some of those challenges but, notwithstanding his removal of his own name, there is still a pressing need to identify --

**Q54 Chairman:** I do not want to push you any further because we must let you go, but is this now delayed? My understanding was that negotiations around Paddy Ashdown, I know from having talked to him, had been going on for several months and were nearing conclusion. He is now out of the frame. February was the date. Does that mean it is going to take longer?

**Mr Alexander:** Clearly he has now withdrawn. I cannot give you a timescale because ultimately the Secretary General's office is in control—rightfully—of the process, but certainly from conversations I had with the Secretary General on Friday he recognised the importance and the urgency of a candidate being identified. That was ahead of Paddy's name being withdrawn but I do not think there should be any doubt that the Secretary General recognises the importance and the urgency of identifying a candidate who can help discharge the responsibilities that have been identified.

**Chairman:** Thank you. That is a useful little bit of extra evidence for our report.

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**Memorandum submitted by the Department for International Development**
**IRAQ UPDATE, SEPTEMBER 2007**
**AN OVERVIEW OF THE UK'S AID EFFORT TO DATE**

1. The UK has pledged £744 million for reconstruction and development in Iraq since 2003. So far £669 million has been disbursed, of which £493 million has been spent by DFID (including EC contributions). This includes over £125 million to support humanitarian agencies since 2003 (£10 million of which has been spent in 2007). The table below shows the estimated amount that will have been spent by the end of FY 2007–08.

<i>Department / Budget</i>	<i>2002–03</i>	<i>2003–04</i>	<i>2004–05</i>	<i>2005–06</i>	<i>2006–07</i>	<i>2007–08</i>	<b>TOTAL</b>
DFID Iraq budget	£8.9m	£209.3m	£49.1m	£86.9m	£49.6m	£30.0m	<b>£433.8m</b>
DFID contributions to European Commission	£0m	£17.4m	£21.3m	£23.2m	£23.7m	£8.0m	<b>£93.6m</b>
Foreign & Commonwealth Office	£0m	£30m	£8.5m	£0m	£0m	£0m	<b>£38.5m</b>
Global Conflict Prevention Pool	£0m	£5.0m	£18.0m	£15.7m	£25.0m	£22.0m	<b>£85.7m</b>
Peacekeeping Conflict Pool	£0m	£0m	£11.0m	£11.0m	£14.0m	£10.0m	<b>£46.0m</b>
Ministry of Defence	£0m	£0m	£30.0m	£5.0m	£3.0m	£0m	<b>£38.0m</b>
<b>TOTAL</b>	<b>£8.9m</b>	<b>£261.7m</b>	<b>£137.9m</b>	<b>£141.8m</b>	<b>£115.3m</b>	<b>£70m</b>	<b>£735.6m</b>

2. Since 2003 UK support to Iraqi reconstruction and development has:

- Increased water supply by up to 30% in some Governorates, and improved the electricity supply to 1.5 million residents in Basra. We replaced 200 kilometres of water mains in southern Iraq and constructed a Water Training Centre in Basra to provide Iraqi engineers with the facilities to improve their skills.
- Added or secured power equivalent to a 24 hour supply for a million people in southern Iraq, and improved access to water for around a million people. These projects have also generated thousands of work-days for local people.
- Supported the Iraqi government to negotiate and implement two International Monetary Fund programmes, laying the groundwork for a major debt reduction deal that has so far been worth \$24.4 billion.
- Helped provincial councils in southern Iraq set their priorities for development and access central government funds. Basra Provincial Council was consequently able to access \$205 million of central Government funds in 2007, after receiving nothing in 2005, and is already using its three-year development strategy to plan and implement essential repairs to roads, water and sewage infrastructure and power generation.
- Provided over £125 million in humanitarian relief to meet urgent needs, both for vulnerable people in Iraq (largely through the International Committee for the Red Cross) and for those displaced in neighbouring countries such as Syria and Jordan (largely through the UNHCR).
- Contributed £70 million to the UN and World Bank trust funds for Iraq, as part of the total UK effort. These funds helped support successful democratic elections in 2005, the rehabilitation of over 500 schools, the supply of learning materials for 10 million children, and training over 3,700 health staff.
- Trained around 200 Iraqi journalists in international journalism, photojournalism, news feature writing and news security training, and provided £7.5 million to enable independent radio and TV programmes to begin broadcasting in southern Iraq.
- Supported programmes which provided voter education to over 300,000 people in some of the most remote areas of Iraq, as well as a range of partnerships between international and Iraqi NGOs to build a new generation of leaders who can engage with government and contribute to policy-making and service delivery. This includes support to trade unions, women's groups, humanitarian groups and Kurdish community groups.

- Provided over £2 million for to the justice sector in Iraq, allowing 216 judges, prosecutors, lawyers and justice department officials to be trained in International Human Rights Law with a focus on fair trial and due process (in addition to support for the Iraqi Special Tribunal).
- Supported police and prison reform in southern Iraq through the Global Conflict Prevention Pool; so far over 10,000 Iraqi police officers and over 680 prison officers in Basra have been trained in issues including international human rights standards.
- In conjunction with security training and operations by multinational and Iraqi Forces, Operation SINBAD in southern Iraq completed around 550 projects to improve the local environment such as infrastructure and agricultural development.

#### DFID'S CURRENT PROGRAMME IN IRAQ

3. Iraq is a wealthy country, with government revenues this year of \$33 billion. Iraq therefore has considerable economic potential, but its ability to realise this is constrained by a number of factors: the poor security situation; the weak capacity of the provincial government to deliver public services; and the dilapidated state of key infrastructure (particularly energy production). The Government has the resources to fund the necessary investment itself but is consistently failing to spend its budget. In 2006, it spent only two-thirds of the total budget; capital spending was particularly poor. Despite receiving 50% of the capital budget, the Ministry of Oil only spent 3%.

4. DFID is therefore focusing on the areas where it can add the most value:

- a. Building the capacity of the Iraqi Government to unlock its own human and financial resources to enable economic growth and deliver better public services.
- b. Internationalising the aid effort by leveraging a more effective role for key players such as the World Bank and the IMF.
- c. Supporting the most vulnerable Iraqis through support to international humanitarian agencies.

#### *Influencing the Iraqi Government and international partners*

5. DFID's programme emphasises the importance of Iraqi leadership. Economic reform and progress on national reconciliation require strong political leadership from the Iraqi Government, who have to see these issues as a strategic priority. The UK is using its presence in Baghdad to help the Iraqi Government to drive forward both issues, including implementing its commitments made in the International Compact for Iraq.

6. DFID has played a key role in establishing a World Bank presence in Baghdad, providing accommodation and logistical support to their staff in country. As a result the World Bank now has two full-time international staff, including a Country Manager for Iraq. We are also encouraging greater IMF engagement with the Government. We are helping to support greater UN leadership and engagement on humanitarian and development issues, as well supporting a stronger UN role in political issues; the recently extended UNAMI mandate will help here.

#### *Economic development*

7. The scale of the challenge is considerable. Improving infrastructure and services in Southern Iraq is a multi-billion dollar problem. Infrastructure is old and dilapidated and investment has been lacking for decades. The World Bank estimates that Iraq needs to invest \$20 billion over 10 years simply to upgrade Iraq's power sector. Other estimates suggest that just over 20% of homes in Basra receive piped drinking water (lowest in Iraq) and electricity supplies average 11–12 hours per day. Improvements will require significant and sustained levels of investment from GoI. Much of DFID's work is therefore designed to stimulate private sector development and help the Iraqi Government implement key economic reform commitments, as in the International Compact for Iraq.

8. Together with the Iraqi government, our challenge therefore is to unlock Iraqi resources and get them where they need to be—at the local level, improving the lives of ordinary Iraqis, giving them stake in their future and providing the foundations for economic growth. To do this, action is required at both national and provincial levels.

#### *Building capacity to deliver public services and providing policy advice*

9. DFID's Economic Reform Programme (ERP) advises the Government on macro-economic, fiscal and public financial management issues. Currently, the programme is focused on fuel subsidy reform, improving macro-economic forecasting, 2007 budget implementation and 2008 budget preparation (including investment budgeting).

10. DFID's Support for the Centre of Government Programme (SCOG) is helping build up key institutions of central government. We are working with the Prime Minister's Office, the Council of Ministers Secretariat and the National Media Centre. Our work focuses on helping establish the basic mechanics of government decision-making; for example, managing meetings and committee structures, and mentoring on core civil service skills.

11. Through our work in the UK-led Provincial Reconstruction Team (PRT) in Basra, we have been instrumental in helping provincial governments in the South identify their development priorities and produce costed budgets. We have also put considerable effort into linking provincial government in Basra with national ministries in Baghdad, in order to improve resource flows, and promoting private sector development. In Basra, we are helping the Provincial Council establish key institutions designed to facilitate private sector development. This work is already serving as a model for assistance elsewhere in Iraq. We are:

- a. Establishing an Investment Promotion Agency which will implement programs designed to stimulate private sector development and provide services to the business sector and policy advice to government.
- b. Setting up a Development Fund to provide investment and credit for small and medium-sized enterprises, which form the backbone of any market-led private sector economy.

12. On behalf of HMG's Global Conflict Prevention Pool, DFID manages a programme to build capacity and improve accountability in the Ministry of Interior. This is one of our most challenging programmes: we are the only civilian donor working directly with the Ministry. Activities focus on strategic planning, improving administrative controls (to reduce corruption), clarifying the Ministry's legal and constitutional framework, and human resource management.

#### *Infrastructure projects in southern Iraq*

13. DFID is also working directly to improve the lives of ordinary Iraqis. DFID's Iraq Infrastructure Services Programme (IISP) is making good progress. We have added or secured 350 megawatts of electricity to the Iraqi national grid, and by the end of this year will have added or secured a further 120 megawatts. This is equivalent to 24 hours of electricity for one million people. By early 2008 we will have improved access to water for a further million people in Basra. From this point onwards we will move away from direct infrastructure provision and will instead concentrate entirely on helping Provincial Government in southern Iraq to access reconstruction funds from central Government, as well as promoting private sector development through initiatives such as the Basra Investment Promotion Agency and the Development Fund for Basra.

#### THE HUMANITARIAN SITUATION

14. Humanitarian needs in Iraq are on the rise, although exact and reliable information remains a key issue. However, it is estimated that four million Iraqis are food insecure; of which 40% do not receive any rations from the Iraqi Public Distribution System—the main Iraqi social safety net. Two million people are internally displaced, with a further two million displaced across the region, 80% of which are in Syria and Jordan. The map of Iraq is increasingly being redrawn along ethnic and religious lines, with possible long-term consequences for both Iraq and the region.

15. Many vulnerable groups are denied adequate protection and access to basic services. Health facilities are often overwhelmed by mass casualty emergencies; public services (water, sewerage, electricity) are inadequate to meet demand. Many of the problems facing the population at large will need to be addressed by systemic change and reform. In the short term, however, there is a humanitarian imperative for the international community, including the UK, to help address immediate needs among the Iraqi population.

16. Humanitarian agencies are increasing their appeals. The International Committee of the Red Cross (ICRC) has raised its appeal from \$45 million to \$75 million and UNHCR has just doubled its appeal to \$123 million. DFID has provided £10 million in humanitarian funding so far in 2007 and over £125 million since 2003, in support of the International Committee of the Red Cross (ICRC), UN high Commissioner for Refugees (UNHCR), the International Organisation for Migration (IOM), and the UN Office for the Co-ordination of Humanitarian Affairs (OCHA) to provide much needed assistance both inside Iraq and across the region. We are working with the UN for a more strategic international approach to the humanitarian crisis in Iraq. We will continue to work with the UN and other agencies to ensure that needs are met. We are also lobbying other donors (especially the European Commission) to increase their support to humanitarian agencies.

#### *Support to civil society and the reconciliation process*

17. Iraq has a growing civil society with more than 2,500 registered NGOs. Over 250 newspapers and magazines have been launched since 2003. DFID has funded three programmes with civil society, all of which are now complete. We are now in the process of designing our next phase of support.

## FUTURE PLANS FOR UK DEVELOPMENT ASSISTANCE TO IRAQ

### *Southern Iraq*

18. Our direct infrastructure programme will be complete in 2008. Given the scale of the infrastructure challenge, DFID will shift its focus of effort towards supporting the Provincial Council in Basra to access funds from central Government and manage its own budget to finance reconstruction projects and to support economic and private sector development. This is a sensible shift given the level of resources available from central government, the need for Iraqi ownership and the difficulty for donors to deliver infrastructure projects in this operating environment. This work will be taken forward in tandem in both Baghdad and Basra, through the UK-led Provincial Reconstruction Team in Basra.

### *Baghdad*

19. We will continue to work in Baghdad to support greater leadership on economic development, improve the delivery of public services and support political reconciliation by the Iraqi Government, and to help them to manage and spend their own resources to improve services and living standards. We will place particular emphasis on encouraging central Government support (including funding) for economic development in southern Iraq. This will include initiatives to encourage private sector development and external investment in the region. We will continue to work with other donors, in particular with the US, World Bank, the UN and EC.

20. We will continue to work with humanitarian agencies working in Iraq and across the region to meet the urgent needs of displaced Iraqis and of vulnerable sectors of the population.

DFID

*September 2007*

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## **Supplementary memorandum by the Department for International Development**

### **IRAQ: UPDATE TO SEPTEMBER 2007 MEMORANDUM**

#### UPDATE ON PROGRESS

1. Since the last update provided to the IDC, disbursements have increased to £680 million in total, of which £503 million has been spent by DFID (including EC contributions). This includes over £130 million to support humanitarian agencies since 2003 (£15 million of which has been disbursed in 2007). There have been no new pledges beyond the £744 million for reconstruction and development in Iraq already declared. Within the framework of our existing objectives and subject to continuing constraints of security, DFID is making progress on a number of initiatives, including some that are new since September.

### *Southern Iraq*

2. The UK's Provincial Reconstruction Team (PRT) has made significant progress in facilitating local authorities to further economic development, and in bringing other donors together to support this. It has helped the Basra authorities to draft the latest Provincial Development Strategy 2008–10, which will guide spending of the provincial budget (set to increase by 50% this year). The PRT has also helped produce a Provincial Resource Statement detailing donor and government investment in the province in 2007, in order to help local authorities identify and plan increased operations and maintenance activities.

3. The PRT has had considerable success in drawing in other development actors. UNDP is sending four experts to work on improving budget execution in the Governor's Office and on community-based development. Two USAID contractors have co-located with the PRT and will cooperate closely on community stabilisation and training government officials. The PRT is also working with the Chambers of Commerce on both sides of the Iraq-Kuwait border to lobby their respective governments to remove trade barriers.

4. DFID has played a significant role in supporting the GoI to hold a successful second Basra Development Forum, at which the Secretary of State spoke on 12 December. The Forum brought together leading Iraqi political and business figures including Prime Minister Maliki and Basra Governor Wa'ili, to discuss economic regeneration in the Basra region.

5. DFID has been instrumental in the creation of the new Basra Development Commission, which was launched in December by the GoI. This will bring together national, regional and international business knowledge to provide advice on how to increase investment and economic growth. We welcome the appointment of Michael Wareing (CEO of KPMG International) as one of the Commissioners. The Commission will complement our continuing work on the Basra Investment Promotion Agency and the Basra Development Fund. These are helping to kickstart Basra's economy by identifying and promoting investment opportunities and providing loans to small and medium-sized enterprises, respectively.

6. Infrastructure projects are progressing well, with the large "PS2" gas compressor unit now up and running. This will add 60 megawatts to the grid, the equivalent of 24 hour power for 120,000 people. The final programme, a major potable water facility, should be complete by April 2008.

### *Baghdad*

7. DFID has been working with the centre of government to improve public administration and the budget process so that Iraqis can better manage and spend their own resources. We will continue to work in Baghdad to support greater Iraq leadership, through political lobbying and our aid programmes. We are designing a new programme that will build on and bring together our current technical assistance programmes in Baghdad and Basra. This will help DFID to support central government and Basra provincial authorities more effectively, as well as better facilitating central Government support (including funding) for economic development in southern Iraq and the other provinces.

8. We continue to help the Ministry of Interior make incremental progress towards strategic planning; improved procurement and contracting; legal training; and incentives for merit-based hiring and career development. This is despite ongoing security challenges and a lack of access to the Ministry building. The programme will be combined with the UK policing mission from April 2008, increasing impact through a more joined-up intervention.

### *Humanitarian*

9. It remains very difficult to arrive at reliable figures for internally displaced people (IDPs) and refugees. These range from UN estimates of 2.2 million IDPs and an equal number of refugees (of which 1.4 million in Syria and 500,000 Jordan), to a recent estimate by a Norwegian NGO of just 160,000 refugees in Jordan. Recently imposed restrictions at external and internal borders have reduced the flow out of Iraq, and there are signs that some are starting to return.

10. Syria, the last country to keep its borders open, imposed a strict visa regime on Iraqis on 1 October last year. Internally, eleven provinces are reported to have closed their borders or restricted access to new entrants. The GoI has reported an increase in the number of refugees returning from Syria towards the end of the year, although the UN High Commission for Refugees (UNHCR) has warned that the security situation is not yet conducive for large-scale returns. Most returnees have cited a lack of funds or uncertainty about their visa status, with only 14% saying that they are coming back because of improved security.

11. Systemic change and reform will be required in the long term, but there remain urgent short term needs. DFID is helping to address both the short term needs, through supporting international agencies, and longer term reforms, through our technical assistance programmes. In 2007, we committed £15 million, bringing our total humanitarian contribution to over £130 million since 2003.

### HANDOVER OF BASRA PROVINCE

12. On 16 December, the UK handed over security responsibility for Basra, the last of the four southern provinces initially controlled by the UK (al-Muthanna, Basra, Maysan and Dhi Qar) to Provincial Iraqi Control (PIC). This decision was taken by Prime Minister Maliki and the General Petraeus once the multi-national forces and the GoI were satisfied that Iraqi Security Forces there had sufficient capability; provincial infrastructure was in place; and that local government was effective. We are pleased that Basra has been able to take this important step towards a successful Iraqi-controlled future.

### SUPPORT FOR LOCALLY ENGAGED STAFF

13. We fully appreciate the important contributions that our locally engaged staff have made to DFID and the broader UK effort through their hard work and dedication. HMG has announced a package of financial assistance to Iraqi staff who have worked for our armed forces and civilian missions in Iraq for 12 months or more.

14. This involves the choice of a one-off package of financial assistance; exceptional leave to enter the UK; or the opportunity to resettle in the UK through the Gateway programme (which is administered by UNHCR). In order to qualify for any of these options, staff must be able to show that they have completed 12 months of direct employment with HMG. Applicants to Gateway must also satisfy UNHCR that they meet the criteria of the 1951 Convention and need resettlement. In preparing this assistance scheme, we are working very closely with FCO, MoD and the Home Office.

DFID

January 2008

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**Supplementary memorandum submitted by the Department for International Development  
(following the oral evidence session on Iraq on 31 January 2008)**

**DFID'S HEALTH AND EDUCATION SUPPORT FOR IRAQI REFUGEES**

1. At the evidence session on Iraq 31 January, the International Development Committee requested further information about DFID's support to health and education initiatives for Iraqi refugees in the region. The Committee also specifically asked whether DFID had provided support to the joint UN agency appeals on health and education for Iraqi refugees.

**UN APPEALS IN 2007**

2. In 2007, UN agencies launched three separate appeals for assisting Iraqi refugees and host countries. These were:

- a \$123 million UNHCR Iraq Supplementary Appeal (of which \$28.5 million was for operations inside Iraq and the rest for assisting Iraqi refugees and host countries);
- a joint \$129 million UNHCR-UNICEF education appeal, primarily covering Syria and Jordan; and
- an \$85 million Inter-Agency appeal for health, covering Syria, Jordan and Egypt. Participating agencies were UNHCR, WHO, UNICEF, UNFPA and WFP.

**UK RESPONSE**

3. DFID contributed £3 million towards UNHCR's Iraq Supplementary Appeal in 2007. This appeal had an \$18 million health and nutrition budget and a \$33 million education budget, most of which was allocated to support Iraqi refugees in Syria and Jordan. Activities included:

- reaching agreements for financial support to the respective Ministries of Health and other bodies providing primary medical care, to include the needs of vulnerable Iraqis within their coverage;
- the development of joint health programmes with national Red Crescent societies and other UN agencies that would benefit Iraqi refugees and their host communities; and
- supporting the Ministries of Education to start the construction of up to 10 schools and rehabilitating up to 100 schools.

4. UNHCR has made good progress. The promise of UNHCR support was an important factor in securing commitments from the Governments of three host countries (Syria, Jordan and Egypt) to provide access to primary health services for displaced Iraqis on the same basis as for the local population. In collaboration with national Red Crescent societies, UNHCR is also providing subsidised access for Iraqi refugees to secondary health care in Jordan and Syria. UNHCR has also helped to improve Iraq children's access to education in host countries. Enrolment figures increased from 14,000 to 24,600 in Jordan and 33,100 to 43,700 in Syria between the current and previous school years.

5. The UK, as a major donor to the European Commission, also provides support direct to Jordan and Syria's health and education sectors. EC support includes a €30 million Health Sector Modernisation Programme in Syria, of which \$8 million was allocated in 2007 specifically for areas with large Iraqi populations.

6. DFID has also been pushing for better coordination of the international humanitarian efforts inside Iraq and in the region. We would like to see UN agencies getting behind a joint strategy and agree priority areas for action. Having several separate UN appeals for the Iraqi refugee situation, as was the case in 2007, undermines donor confidence in the UN's ability to prioritise activities and lead the humanitarian response. We welcome the planned consolidated appeal for UN and NGO operations inside Iraq this year. We will continue to push for better coordination of the international humanitarian response to refugees in the region.

7. In this context, we chose not to support the Inter-Agency Health Sector Appeal or the UNHCR-UNICEF Education Appeal for several reasons. Firstly, as noted above, we had for some time been encouraging the UN to reduce the number of separate appeals for the same crisis, in order to improve the coordination and prioritisation of the international response. Secondly, our contributions to the UNHCR supplementary appeal already included activities in the fields of health and education. Thirdly, we wanted to support the UNHCR's refugee registration work, which remains a core part of the agency's mandate and the main mechanism by which the UN can improve its information base and better understand refugees' needs. Finally, we felt that the education and health appeals could have set clearer targets for what they expected to accomplish with the requested funds.

#### FUTURE PLANS

8. We are currently awaiting the launch of the consolidated appeal for the international humanitarian effort inside Iraq. This appeal will be issued in mid-February. In addition, we will consider supporting appeals from the ICRC and UNHCR. We are also looking into the possibility of providing direct support to a few international NGOs with a proven track record of delivering assistance across Iraq. In this regard, we are currently awaiting a proposal from the International Medical Corps.

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