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From:



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Date: 8 August 2002

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NORTHERN IRAQ DESKTOP REVIEW AND BACKGROUND BRIEFING DOCUMENT

I enclose the Iraq Desktop Review and Background Briefing Document with thanks to [redacted] and [redacted] for doing this work, and colleagues in MENAD for their collaboration. You will note that the document is for DFID internal circulation only, since much of the information was provided to the review team in confidence.

Next Steps

2. As agreed during our meeting of July 29, 2002 this should be viewed as work in progress prior to the development of a forward strategy for Iraq, to be completed by the end of 2002. I look forward to your reactions in due course and your input regarding additional information you think may be required prior to the Northern Iraq field visit, tentatively scheduled for September 2002.
3. [redacted] and [redacted] will be happy to provide guidance and advisory input to [redacted] when he undertakes a similar piece of work focusing on Central/Southern Iraq. Given other CHAD OT work commitments, we agreed that Mr Abid would maintain the lead for the Southern/Central Iraq component of this exercise.
4. As I mentioned, CHAD OT will review the World Food Programme's Contingency Planning document for Iraq, providing commentary in due course.
5. I look forward to our monthly management meeting to discuss work in progress and next steps.

Manager, Crisis Management Group
CHAD Operations Team

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**Prepared for Middle East and North Africa Department,
Department for International Development**

**Conflict and Humanitarian Affairs Department
Department for International Development
July 2002**

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ABBREVIATIONS USED IN THE TEXT

ACORN:	A Community Oriented Rehabilitation Network
ARI:	Acute Respiratory Infection
BAFIA:	Bureau of Aliens and Foreign Immigrants Affairs
BRCS:	British Red Cross Society
CA:	Christian Aid
CBO:	Community Based Organisation
CHAD:	Conflict and Humanitarian Affairs Department
CSI:	Central/Southern Iraq
DFID:	Department for International Development
DP:	Disaster Preparedness
ECHO:	European Community Humanitarian Office
EPI:	Expanded Programme of Immunization
EPP:	Emergency Preparedness Planning
EPRC:	Emergency Preparedness and Response Committee
FAO:	Food and Agricultural Organisation of the United Nations
GOI:	Government of Iraq
GRL:	Goods Review List
HABITAT:	United Nations Settlements Programme
IAEA:	International Atomic Energy Agency
ICRC:	International Committee of the Red Cross
IDP:	Internally Displaced Person
IFRC:	International Federation of the Red Cross
IRCS:	Iraqi Red Crescent Society
ITU:	International Telecommunications Union
JHIC:	Joint Humanitarian Information Centre
KDP:	Kurdish Democratic Party
MAG:	Mines Advisory Group
MENAD:	Middle East and North Africa Department
MFA:	Ministry of Foreign Affairs
MOD:	Ministry of Defence
MOU:	Memorandum of Understanding
MSF:	Medecins Sans Frontieres
MT:	Metric Ton
NGO:	Non Governmental Organisation
NI:	Northern Iraq
OCHA:	Office for the Co-ordination of Humanitarian Affairs
OFF:	Oil for Food Programme
OPC:	Operation Provide Comfort
Phpa:	Per Household Per Annum
PUK:	Patriotic Union of Kurdistan
4RS:	Response, Relief, Resettlement, Rehabilitation
SCF:	Save the Children
SCR:	Security Council Resolution
SIDA:	Swedish International Development Agency
UN:	United Nations
UNDP:	United Nations Development Programme
UNESCO:	United Nations Educational, Scientific and Cultural Organisation
UNGCI:	United Nations Guard Contingent for Iraq

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UNHCR: United Nations High Commissioner for Refugees
UNICEF: United Nations Children's Fund
UNMOVIC: United Nations Monitoring, Verification and Inspection Commission
UNOHCI: United Nations Office of the Humanitarian Co-ordinator for Iraq
UNOIP: United Nations Office of the Iraq Programme
UNOPS: United Nations Office for Project Services
US: United States
UXO: Unexploded Ordnance
WAsD: Western Asia Department
WFP: World Food Programme
WHO: World Health Organisation
WMD: Weapons of Mass Destruction

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INTRODUCTION TO THE REVIEW

In order to inform the development of a strategy for DFID programming in Iraq, DFID's Middle East and North Africa Department (MENAD) is currently conducting a Programme Review for Northern Iraq (NI) with advisory support from DFID's Conflict and Humanitarian Affairs Department (CHAD). The review consists of two key pieces of work: a desktop review of the current situation in NI followed by a field visit, tentatively scheduled for September 2002. Terms of Reference for the NI Programme Review are attached at Annex A.

2. This briefing document summarises findings from the desktop review, conducted from June 10-14, 2002. Work included a review of key files, focussing specifically on policy documents and current DFID-funded programmes; a review of relevant NI reports, and consultations with a number of stakeholders including the United Nations Office of the Iraq Programme (UNOIP), United Nations (UN) agencies, Non Governmental Organisations (NGOs), the British Red Cross Society (BRCS), donors and UK Missions in New York and Geneva. A list of persons consulted is attached at Annex B. Relevant contact details are included at Annex C. A summary of key topics discussed is attached at Annex D.

3. Preliminary thoughts of the review team pertaining to the development of a draft forward strategy for NI will be shared independently once all aspects of the Iraq review process have been completed. The development of a forward strategy for Iraq is due for completion by the end of 2002, in time to inform funding decisions for the next financial year.

BACKGROUND ON NORTHERN IRAQ

Geography

4. NI, the heart of the traditional Kurdish homeland, is bordered by Syria to the West, Turkey to the North, Iran to the East and the 36th parallel and Central Southern Iraq (CSI) to the South. NI comprises the three northern governorates of Dohuk, Erbil and Sulaimany with a total population of 3.68 million, constituting 14% of the entire Iraq population, estimated at close to 26 million. A map of Iraq, comprising NI and CSI, is attached at Annex E.

Political History

5. In 1980, a territorial dispute led Iraq to invade Western Iran. A chronology of events is attached at Annex F. During the subsequent eight-year conflict, much of NI became the front line, leading to the displacement of the indigenous Kurdish population. Decades of tension between the Government of Iraq (GOI) and the Kurdish Authorities over the question of Kurdish autonomy were compounded by implicit Kurdish support for Iran during the Iran-Iraq War (ranging from mass desertion of Kurdish conscripts and non-cooperation). In response to this, the GOI launched the 'Anfal Operations' against Kurdish civilians in February 1988. The aim of these operations was to systematically destroy the rural and agricultural base of the North, forcing the rural population to move into GOI serviced collectives. By

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denying the Northern Iraqi Kurds the ability to support themselves in the countryside, and effectively urbanising what is traditionally an agriculture-based rural society, the GOI was able to control the Kurds. As such, the Anfal Operations deprived the Kurdish leadership of their base of popular support as well as their capacity to launch offensive operations from their mountain bases. The Anfal Operations killed thousands, and displaced hundreds of thousands. Nearly every rural settlement in Sulaimany governorate was destroyed. In March 1988, GOI bombed Halabja and villages in Balisan and Qaradagh with chemical weapons.

6. On 2 August 1990 Iraq invaded Kuwait. The UN Security Council reacted four days later with Security Council Resolution (SCR) 661, which imposed comprehensive economic and trade sanctions on Iraq (with the exception of medicine and foodstuffs), and the establishment of the 661 committee to oversee the embargo. On 29 November 1990 the Security Council issued SCR 678, which gave Iraq until 15 January 1991 to withdraw from Kuwait, and authorised UN member states 'to use all necessary means' to evict the Iraqi forces should the GOI not comply. On 16 January 1991 allied air strikes began against Iraqi forces. The Iraqi army, defeated by the US led coalition, formally surrendered on 28 February 1991.

7. In March 1991 the Kurds, hoping to capitalise on a much-weakened Iraqi army and having been promised Western military assistance, embarked on a major uprising against the GOI. However, the military assistance never materialised, and the consequential GOI clampdown on the Kurds propagated a large-scale refugee crisis. By late March 1991, 1.55 million people – almost half the population of Iraqi Kurdistan – had fled to the border areas of Turkey and Iran. With the Turkish border closed, the Kurds became trapped in the mountainous, inhospitable terrain along the Turkish border. On 5 April 1991, the Security Council, concerned with the repression in Kurdish populated areas and the threat which the subsequent refugee crises presented to international peace and security in the region, issued SCR 688. This allowed for the creation of a 'safe haven' in NI, roughly following the geographical divisions of the three northern governorates. The enforcers of the 'safe haven,' Britain, France and the USA, inferred from SCR 688 the authority to create 'no fly zones,' which they did north of the 36th parallel to protect the Kurds, and south of the 32nd parallel to protect the Marsh Arabs and other Shi'ite minorities. Iraq's rejection of SCR 688 led to the need for a compromise, which was sealed by a Memorandum of Understanding (MOU) between the UN and GOI, signed on 18 April 1991. The MOU allowed for the presence of the UN and a small police force to be based in NI, in return for which coalition troops withdrew from the area in July 1991. GOI forces withdrew from the three northern governorates in October 1991.

8. In addition to the 'no-fly zones', SCR 688 called on member states to provide humanitarian assistance to the Kurds, many of whom were trapped in a rapidly deteriorating humanitarian situation in the mountain passes on the border areas. Operation Provide Comfort (OPC), formed from a coalition of 13 nations with material contributions from 30 countries working under the command of the Coalition Task Force, airdropped its first supplies to the displaced Kurds on 7 April 1991. OPC had two aims: to provide relief assistance to the displaced Kurds and to put security measures in place which would allow for the smooth implementation of humanitarian operations.

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9. A component of the UN's response to the deteriorating humanitarian conditions across Iraq was to set up a preliminary Oil for Food (OFF) programme under SCR 706 in August 1991. Although initially unacceptable to the GOI, the amended version, SCR 986, signed in April 1996, set the terms of reference for the current OFF programme. SCR 986 is discussed in further detail in the Oil Food Food section of this brief.

Current Political Environment

10. Since the events of September 11, 2001 the United States (US) has brandished Iraq as part of 'the axis of evil' in the crackdown on terrorism. There has been growing media and political speculation on the question of regime change in Iraq and the possibility of military intervention. On the issue of military intervention, there are plans being drawn up for a military offensive by the US military. Although we are aware that the British Ministry of Defence (MOD) is carrying out contingency planning for military action against Iraq, the extent of this planning is not known.

11. Alongside the debates over military intervention, talks are on-going between the UN and the GOI over the question of the return of the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC weapons inspectors) to Iraq. Although many of Iraq's neighbours (such as Saudi Arabia) are pressing Iraq to allow for their return, the outcome of recent talks in Vienna (4-5 July 2002) between the Secretary General of the UN and GOI were disappointing, resulting in no substantive progress on the return of the weapons inspectors. While recent press articles (July 29) report new progress consisting of an invitation by the Iraqi Foreign Minister for UN inspectors to return to Iraq, we remain sceptical over Iraqi intentions and doubt this will lead to unconditional and unrestricted access to weapons sites. A timetable for future talks over the return of the weapons inspectors must now be mutually agreed between the UN and GOI.

12. If Iraq continues to block unrestricted access to UNMOVIC, it provides grounds upon which the US will likely justify and press for military action against GOI. As such, the US has been less pro-active than the UK in advocating for a return of the weapons inspectors. Should inspectors be allowed to return to Iraq it remains unlikely that they would be given unrestricted access and hence the US position on the relation between inspector issues and military action would still stand. The majority of Security Council delegations are pushing for further discussion over the return of weapons inspectors in support of the Secretary-General's efforts. The US continues to take the position that inspection for inspection sake is not the issue but that disarmament is. It should also be acknowledged that the US's policy on a change of regime in Iraq will not be altered whether the weapons inspectors are allowed to return or not. There are growing concerns of the legality of a US-led attack on Iraq since this depends on claiming to be acting against infringements of the post Gulf War disarmament pact rather than deposing of the current regime.

History of the Oil for Food Programme

13. The sanctions imposed on Iraq following the invasion of Kuwait in 1990 under SCR 661 and later modified in SCR 678 raised considerable questions and concerns about the humanitarian implications of such a strict control regime. As early as 1991

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the Security Council was looking for ways in which to use Iraq's rich oil resources to finance the humanitarian inputs necessary to avert a catastrophe, amid mounting evidence of a deterioration in the humanitarian situation in Iraq. The concept of an OFF programme was put forward in 1991, elucidated in SCR 706 and later SCR 712, both of which were rejected by the GOI. The two points of contention were the monitoring of the distribution of goods by the UN, and the exclusive use of the oil pipeline via Turkey.

14. By 1994 evidence was mounting that the suffering of the civilian population in Iraq was reaching catastrophic proportions, supported by a claim by FAO in 1995 that over a million people had died as a result of sanctions, including 567,000 children, and that severe famine was predicted. As a result of the humanitarian situation, pressure both within the international community and on the GOI increased to establish an OFF programme. A new oil for food resolution, SCR 986, was put forward in early 1995, which contained modifications to the latter points of contention in an effort to ensure Iraq would accept. SCR 986 was accepted in 1995 and an MOU was drawn up (between the UN and GOI) permitting the first phase of OFF implementation, which took place from December 1996 until June 1997.

Socio Economic Profile

15. In the years following the creation of the 'safe haven' in NI and subsequent internal blockade of NI by the GOI, the humanitarian situation declined rapidly resulting in FAO declaring a nutritional crisis in 1993. Although the OFF concept was introduced through SCR 706 in August 1991, the Iraqis rejected the resolution until the humanitarian situation throughout Iraq deteriorated to a point at which the GOI could not longer refuse the implementation of OFF. Thus by the time OFF was implemented in December 1996, the humanitarian situation was alarming across Iraq and possibly more so in NI as a result of the internal blockade by GOI. While the general humanitarian situation in NI has improved considerably since the introduction of SCR 986, the economic status of NI is characterised by unprecedented levels of dependence on international assistance, further discussed in the Vulnerability and Dependency section of this brief.

Economic Profile

16. The economy in NI is supported by three main inputs: externally driven OFF inputs, illegal oil sales / smuggling and limited, but locally generated trading through indigenous market mechanisms.

17. While OFF was created through SCR 986 in April 1995, it took until December 1996 for the oil to start flowing and until April 1997 before the first humanitarian supplies were distributed under the programme. The OFF programme, created in order to meet the humanitarian needs of the Iraqi population, has resulted in the import of a large volume of commodities, essentially flooding the struggling NI economy. An estimate of the OFF input to NI is US\$1.2 billion for every 180-day phase. On a per capita basis NI receives 38% more per capita share of OFF than CSI. Although a large portion of the OFF programme entails imported food and hardware, some OFF funds are diverted to pay for contracting services to implement

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programmes. For example, OFF will contract builders to construct schools for which most of the labour is executed using local labour resources. Many of the raw building materials required to implement OFF are manufactured and procured locally (the use of locally generated inputs into OFF programming is further discussed in the Local Procurement/Cash Component (SCR 1284) section of this document). Thus an OFF based economy has emerged in order to supply locally available goods and human resources to implement the large OFF inputs. While at first sight there have been visible improvements and changes in volume of trade in NI over the past 12-18 months as a result of the OFF economy, these inputs are primarily cosmetic (cars, buildings, mobile phone networks, new shops, busy markets, construction work around urban areas) and are not locally driven or sustainable. The OFF programme has created a false economy that is highly vulnerable to change and will dissolve with the cessation of OFF, with no real measurable medium to long term lasting improvements for the majority of the population. Arguably, the OFF based economy has served to undermine the viability of local economic initiatives and has been detrimental to coping mechanisms, contributing to a high degree of vulnerability now and for the foreseeable future.

18. Illegal Oil Sales / Smuggling. A significant portion of cash flow into NI, including income to the Kurdish Authorities, is generated from illegal oil exports through Turkey, and taxes on smuggling points into NI. The economy generated from smuggling is much stronger in the Kurdish Democratic Party (KDP) than in Patriotic Union of Kurdistan (PUK) controlled areas because of their influence on the trading routes to Iran and Turkey (further discussed in the section entitled Local Authorities). A significant proportion of KDP illegal revenue goes into paying government salaries, evident by more industrious public works activities in KDP controlled areas. There have been attempts by the GOI to clamp down on this source of income.

19. Locally generated, indigenous market mechanisms. The main economy in NI prior to 1991 was predominantly agriculture based. Northern Iraq produced 30% of Iraq's food basket. It's favourable climate (95% of cultivated land is rain fed, whereas the much of the rest of Iraq's agricultural land requires extensive irrigation) allowed it to produce a far higher proportion of Iraq's net agricultural produce than its' size would suggest. Prior to 1991 a sizeable portion of household income was also generated through government related employment (which constituted 50% of the NI workforce). The economy has been disrupted for the following reasons:

- a) Termination of all support to the social service sector by the GOI. This meant the loss of finances to pay for government employees.
- b) An internal blockade imposed on goods going into an out of NI. As a result, the NI economy was deprived of fuel, raw materials and manufactured goods.
- c) A cut in subsidies (further discussed in the next section on Vulnerability and Dependency), which drove up the price of food and contributed to devaluation of the Iraqi Dinar, drastically reducing purchasing power.
- d) The universal provision of a substantial food basket under SCR 986 (the dominant component being wheat-flour), resulting in a reduction in the market price of wheat and other food commodities. The cost of producing wheat is now equal or greater than the selling price, and a similar trend is noted with cultivation of rice and pulses. The sanctions imposed under SCR 661

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prevented a buy back scheme for excess wheat, which combined with low margins of profitability has resulted in very little incentive for farmers to produce. However, reports indicate farmers have been remarkably flexible in adapting to supplement the food basket with produce such as fruits and vegetables, for which a fledgling market exists.

Vulnerability and Dependency

20. Prior to 1991, Iraq was a quasi-socialist state with a widespread system of subsidies including the distribution of subsidized food to every Iraqi family. This system, which was able to exist because of oil revenues, created a culture of dependency. After 1991 in NI, the termination of the state distributed food basket precipitated a clear deterioration of the humanitarian situation. This was followed by the destruction of the local agricultural economy through a combination of internal blockade and flooding of the market with OFF food rations, resulting in a renewed cycle of dependency. According to SCF the food ration provided under OFF provides 50-90% of the entire calorific intake of most households and thus any interruption in the food ration of OFF will constitute a significant reduction in household food consumption. This raises questions about the implications of the cessation of OFF and the lack of a credible support network to replace it.

21. Highly vulnerable populations in NI include: Internally Displaced Persons (IDPs), female-headed households and the elderly. According to Save the Children's (SCF's) livelihoods study (January 2002), 20% of the population in NI is destitute and entirely dependent on World Food Programme (WFP) food. This group, residing mainly in urban areas and collective centres, has virtually no source of income. The average income per household per annum (phpa) ranges from \$120 to \$200. A further 40% of the population of NI is living on under \$300 phpa, which comprises income generated from agricultural production and low paid employment. This group is also dependent on the SCR 986 food basket. A total of 60% of the population is therefore dependent on the OFF food basket and highly vulnerable to external shocks, including droughts, price fluctuations, internal and external conflict, and natural disasters. These people's coping strategies have more or less been eroded, their assets depleted and thus they are very vulnerable to even the smallest changes in their income.

22. IDPs. Official figures from the Kurdish Authorities put the number of IDPs at 120,000. However other information sources range from 200-800,000. Using WFP food distribution information as a basis for quantifying the number of IDPs, ICRC and ECHO estimate there are 96,000 IDPs in Erbil, 90,000 in Sulaimany and approximately 4,800 in Dohuk. The IDP population arises from conflict induced displacement over the past eleven years, and economic migration evident in the rapid urbanization of NI. Having been displaced for some eleven years, many have become integrated into local communities and are not likely to return to their places of origin. IDPs "camps" remaining consist primarily of old abandoned public buildings such as schools and hospitals. Many IDPs have little to no assets (including land assets) and are thus a highly vulnerable group. Responsibility for IDPs is discussed in the section entitled Current OFF Programming.

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23. In addition to vulnerability resulting from OFF dependency and sanctions, NI is prone to natural disasters and internal conflict as demonstrated by the drought that lasted from 1998-2001 and the conflict between the KDP and PUK which flared up between 1994 and 1996.

General Situation by Sector

24. Agriculture. The import of some 60,000 metric tons (MT) of food per month into NI through OFF has impacted negatively upon farmers' incentive to produce since demand for food has drastically reduced. The production cost of staple crops often exceeds artificially low market prices resulting from the distribution of so much food under OFF. Good rains this year have however led to the production of a bumper wheat crop. The key challenge for Northern Iraqi farmers is to identify markets where this produce can be sold for a profit. Under the terms of the current OFF programme, the UN cannot purchase the crop for distribution under the food basket provided through SCR 986. This would be blocked by GOI since it would serve to provide a market for agricultural produce, thus strengthening the NI economy. The UN has nevertheless been involved negotiations with GOI in order to ensure that this year's wheat crop does not go to waste. A recent agreement has been reached whereby GOI will purchase the wheat and sell it back to the UN (for a profit) for distribution under the OFF programme. Convolved though it is, this could nonetheless be perceived as a step in the right direction with regards to local procurement. This is discussed in further detail in the section Local Procurement / Cash Component (SCR 1284). In a recent meeting with MENAD the "Minister" for Agriculture from the KDP spoke of the development of good relations between KDP and PUK officials in the agricultural sector, noting the development of a joint agricultural plan for all three governorates.

25. In view of the potential for further conflict in the region and the potential impact that a disruption in the food pipeline would have on the humanitarian situation in NI, it is particularly disappointing to note that Kurdish Authorities have limited grain storage capacity. While they have requested storage facilities through OFF programming, these have been blocked by GOI.

26. Education. The latest OFF implementation report reports a 3% increase in school attendance in secondary and tertiary education from 2000 as a result of school construction and renovation projects, and the provision of transport to students living in rural and isolated areas, and urban slums. The education system is lacking skilled human resource inputs, partly due to the lack of further education opportunities and professional isolation from the international community.

27. Health. The World Health Organisation (WHO) reports a levelling of disease trends in NI since the implementation of SCR 986, which is a significant improvement to the increased incidence of previously controlled diseases in the pre-SCR 986 years from 1991-1996. Part of this improvement can be attributed to an improvement in the availability to essential medical supplies. WHO reports a 90% increase in access to essential drugs and an 80% increase in access to medical supplies. Furthermore, there has been an increase in access to safe drinking water as well as high rates of Expanded Programme of Immunisation (EPI) coverage. The

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limiting factor in the health sector is the lack of skilled human resources as a result of brain drain and the lack of a credible medical education system for NI.

28. Landmines. According to the United Nations Office for Project Services (UNOPS) there are 3400 mine fields and 1100 villages affected by landmines in NI, as well as a 5km exclusion zone along the border between NI and Iran where de-mining is not permitted. Although landmine and Unexploded Ordnance (UXO) accidents still occur the numbers have dropped significantly as a result of the mine action programme.

29. Nutrition. The food ration under SCR 986 currently provides 2,257 kcal per day against a target of 2,472 kcal. According to the United Nations Children's Fund (UNICEF), routine screening done in NI shows an improvement in the nutritional status of children in the three northern governorates. For example, WFP and UNICEF report very low rates of acute malnutrition, a reduction in chronic malnutrition to 11% and a drop in moderate malnutrition from 5.1% to 3.1%. This stands in stark contrast to the high degrees of both acute and chronic malnutrition reported in CSI. The overall improvement in nutrition in NI however does not reflect certain pockets of vulnerability. An example of this is the case of under five year olds in rural and remote areas who do not have access to public health clinics and who show comparatively higher rates of malnutrition. In addition, the most recent OFF implementation report showed the food ration as 40% deficient in the Recommended Daily Allowance of Vitamin A. Because children receive little extra food on top of the food ration, the vitamin A deficiency could result in increased child mortality from common diseases such as diarrhoea, measles and Acute Respiratory Infection (ARI).

30. Water. In a recent meeting with MENAD, the "Minister" of Agriculture from KDP controlled areas reported that prior to 1991, much of Iraq's water was supplied from NI. Since the implementation of SCR 986, GOI has been unwilling to invest in equipment for the provision of adequate water supply in the North since it no longer filters through to CSI. While Kurdish Authorities continue to press for the provision of water related equipment through the OFF programme (such as materials for building reservoirs), these requests are not passed on to the UN by GOI in six monthly implementation plans. The "Minister" referred to the need for investing in large-scale water supply projects, like dams, and also noted the need for additional human expertise in the sector, including hydrologists.

Geographical Issues

31. The population of NI is highly urbanized with an estimated 60 to 70% residing in urban areas. Some UN agencies claim the priority needs are now in urban centres and have shifted their programming accordingly. However, information is conflicting on this point as there is some evidence from UNICEF that the needs and vulnerability, especially in the area of nutrition, are greater in rural areas. UNICEF claims that infrastructure and supplies have been restored but services to remoter rural areas are still a neglected issue resulting in an accentuation of the rural-urban divide in NI. The BRCS also reported a greater focus of OFF programming in urban areas, but this was not confirmed through other interlocutors who indicated that

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geographical coverage of OFF programming, while not 100% through NI, was nonetheless acceptable.

Local Authorities

32. Kurdish Authorities comprise of KDP and PUK representation, who together constitute the strongest opposition group to the GOI inside of Iraq. These two groups, although currently under a permanent ceasefire and expected to share power in NI, have a long history of factional fighting as recent as 1996. The relationship remains strained, evident by their inability to agree on a division of power and debates over illegal oil revenues.

33. During the pre-SCR 986 era close to 100 NGOs came to work in Iraqi Kurdistan. Assistance could not be directly given to the de facto authorities, as they were not internationally recognised, leaving the larger International NGOs with a considerable influence in deciding how to spend this money. The International NGOs worked primarily through Kurdish NGOs or local village committees, which effectively denied the Kurdish Authorities opportunities for strengthening their power base.

34. Under SCR 986, the UN initially implemented the OFF programme in limited consultation with Kurdish Authorities. However, by 1998 the UN appreciated that in order for the programme to be successful, co-operation with the Kurdish Authorities was essential and the Programme Consultation Process was initiated with the aim of involving the de-facto authorities in key decisions regarding programme issues. At present local authorities are viewed as partners in the planning and priority setting process within OFF. For the purpose of OFF implementation, the UN agencies interface with the Kurdish Authorities through the appropriate technical ministries. At the technical level, the relationship between the UN agencies and the authorities is reportedly quite good. However, the overall relationship is strained by the recognition by the Kurdish Authorities that the OFF programme does not meet NI's long term needs and actually serves to stifle any economic growth which could contribute to the region's viability and long term stability. This is compounded by the fact that implementation of OFF is persistently manipulated by GOI in order to further repress the people of NI.

35. Although the UN recognises the need to ensure the Kurdish Authorities have the capacity to manage a basic governance structure in the North, OFF programming cannot recognise the authorities as a legitimate governing body in the North nor can they strengthen their position for autonomy. In practice however, the programme has served to do both of these things on the ground, for example through the 'common roof' approach which serves to strengthen technical expertise within the Kurdish Authorities to support planning capability and social service provision.

Social Services

36. Prior to 1991 Iraq was governed through a centralised system with all planning, management and financing of government services undertaken from

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Baghdad. Under this system, the GOI paid for the civil service in NI, which accounted for 50% of the workforce. The GOI withdrew support for government services in NI in 1991 in response to the Kurdish uprising and the subsequent creation of the 'safe haven'. This withdrawal of financial and management support left the Kurdish Authorities with a very rudimentary structure, with little to no planning and management capacity, and limited financial means with which to finance social services. This was further compounded by the steep depreciation in the Iraqi Dinar, further reducing the salary of civil servants in relative terms, and effectively undermining the quality of social services. In order to secure a stable income, many civil servants resorted to alternative sources of income or left the country. This served to deplete the pool of technically trained, qualified and experienced personnel whose human resource contributions are necessary to underpin the inputs of the OFF programme.

OIL FOR FOOD

Background

Facts about OFF

37. SCR 986 initially permitted up to US\$2 billion worth of oil to be sold every six months, a portion of the proceeds of which were to be used to provide humanitarian supplies to Iraq. The ceiling on the amount of oil Iraq could export was later modified and then completely lifted under SCR 1284 (further discussed in Relevant Security Council Resolutions).

38. The revenue from the oil sales is deposited into an escrow account from which money can be drawn to purchase items listed in a distribution plan which have been approved for export to Iraq by UNOIP. Revenue from the OFF programme is allocated according to the following breakdown:

- 72% of OFF funds the humanitarian programme of which 59% is allocated to CSI and 13% to NI;
- 25% is for the UN compensation fund for Kuwait (this sum comes out of the allotment from OFF for CSI);
- 2.2% to cover the costs of UN programme administration;
- 0.8% is allocated to UNMOVIC's work.

39. The programme runs in 180-day cycles called 'phases' and is subject to renewal by the Security Council at the end of each cycle. The programme is currently in its XII phase. In CSI the GOI implements the programme with the UN taking on an 'observation' role. In NI the UN implements the programme on behalf of the GOI. There are nine agencies implementing OFF: WHO, UNICEF, UNOPS, the United Nations Development Programme (UNDP), WFP, the Food and Agricultural Organisation of the United Nations (FAO), the United Nations Settlements Programme (HABITAT), the United Nations Educational, Scientific and Cultural Organisation (UNESCO), and the International Telecommunications Union (ITU).

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The United Nations High Commissioner for Refugees (UNHCR) is also operational throughout Iraq but does so through its Country Programme independent of OFF.

40. In NI UN agencies implement their programmes through international contractors, local contractors, local NGOs and Community Based Organisations (CBOs). UN agencies cannot implement OFF through International NGOs (this is further discussed in the section on Programming Outside of Oil for Food).

41. Due to the size of the OFF programme and the limited number of available implementing partners in NI, local capacity to implement has been essentially saturated. Many local NGOs have been created by the Kurdish Authorities as a means of accessing OFF funds rather than engendering the humanitarian ethos (the implications of which are detailed in the section entitled Working with Local Partners).

42. The humanitarian component of the OFF programme brings in goods for humanitarian programmes. There is no cash component or local procurement (including local contracting of services) allowed under SCR 986. Essentially the programme as it was envisaged was a commodity driven process (further discussed in the section on Cash Component/ Local Procurement (SCR 1284)).

43. There are many elements to the OFF programme (briefly summarised under Current OFF Programming). One of the main inputs is the import and distribution of the food basket, comprised of wheat-flour, rice, oil, sugar, tea, milk powder, cereal, pulses and iodised salt, which provides approximately 2300 kcal per day to every resident of NI.

Relevant Security Council Resolutions

44. SCR 1284 was approved by the Security Council in December 1999 but has not been accepted by the GOI. This resolution served to lift the ceiling on oil exports, introduced the idea of fast tracking humanitarian goods (a prelude to the Goods Review List (GRL), further described in SCR 1409), introduced the cash component and established UNMOVIC. The definition of a cash component has proved to be problematic. According to SCR 1284 the funds from the escrow account could be used "for the purchase of locally produced goods and to meet the local cost for essential civilian needs which have been funded in accordance....with 986....including where appropriate, the cost of installation and training services" (Paragraph 24, SCR 1284). This resolution attempted to reform the sanctions regime and would use the ration system to stimulate the damaged agricultural economy by allowing local purchase, thus boosting agricultural production through the creation of an agricultural market. The acceptance of a cash component for NI by GOI remains unlikely, since it could contribute to stimulating the creation of viable local markets and help shift OFF programming from relief to longer-term sustainable development approaches.

45. SCR 1409, approved by the Security Council in May 2002, adopted the GRL. The GRL seeks to streamline and shorten administrative procedures for approval of goods requested through OFF by changing controls from the previous situation

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where all exports to Iraq were prohibited unless approved by the UN, to one where all exports are allowed except for the more focused list of items on the GRL. The GRL attempts to end sanctions on ordinary goods, while maintaining tight controls of items which could be used for dual use (items that could be used to build weapons of mass destruction (WMD)). Whereas in the past, contracts were held up if they contained one or more dual use items, with the GRL only the questionable items are placed on hold thus ensuring better flows of humanitarian goods.

46. Although SCR 1409 is in the early stages of implementation, it has been suggested by a procurement specialist from UNESCO that the associated administrative burden will increase as a result. This is due to the process whereby in order to clear future approvals on humanitarian goods, the UN has to identify if in previous phases the items were approved and cleared. Furthermore, it has been brought to the attention of MENAD staff that due to the loose wording of SCR 1409 as compared to SCR 986, the GOI may be able to use oil revenues for the purchase of items that are not considered dual-use nor could they be deemed humanitarian in nature. Essentially SCR 1409 could provide a loophole through which the GOI could use oil sales to purchase non-humanitarian goods.

Current OFF Programming

FAO

47. To date, the OFF programme has allocated \$765.5 million for the agriculture sector in NI, of which \$279 million has been programmed. In the initial stages of OFF implementation FAO was involved in the delivery of urgently required basic agricultural inputs. From 2000 there has been a programme shift towards developing a strategic framework for sustainable agricultural rehabilitation. The focus is on rehabilitation of the agricultural sector, poverty alleviation, food security and environmental protection. FAO works with local organisations to strengthen their capacity at the grassroots level. A key programme objective is to help move towards the development of a sustainable rural economy in NI. It is interesting to note that one of the main challenges to achieving this is caused by the distribution of the food basket under OFF. FAO's programme also overlaps into provision of assistance to IDPs, including land allocations. In CSI, FAO has a regular Country Programme which includes seed production, vegetable farming projects and agro-ecological zoning.

HABITAT

48. HABITAT focuses on settlement and rehabilitation support for IDPs and other vulnerable groups. The programme amounts to US\$500 million per phase, and employs 600 local personnel. Much of HABITAT's work is in the construction sector. All building is done through local sub-contractors with the aim of reviving the local private construction sector. While HABITAT acknowledges the importance of contributing to capacity building and skills development initiatives (over the distribution of commodities), like other UN agencies operational in NI, it does not have an official programme mandate that would allow for the implementation of projects that pursue development approaches. One could argue however that the

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use of local contractors indirectly contributes to skills development. HABITAT does partake in the 'common roof' approach involving joint planning with local authorities and including on-the-job technical training. HABITAT has a small Country Programme in CSI consisting of neighbourhood rehabilitation based on community participation.

ITU

49. Works in the telecommunications sector.

UNDP

50. UNDP's work centres around the power sector.

UNESCO

51. UNESCO's programming centres around rehabilitation of the education sector. Activities range from infrastructure rehabilitation and construction to teacher training, skills development, textbook and curriculum development. UNESCO is just completing a school mapping exercise, which is the first such exercise in NI, to be used as a planning tool. UNESCO has small Country Programme in CSI, focusing on cultural projects.

UNICEF

52. UNICEF implements part of the OFF programme in NI through inputs in the areas of: Health, Nutrition, Education (UNICEF is the lead agency for primary education), Child Protection and Water and Environmental Sanitation (also the lead agency). Through this programming, UNICEF has contributed to the training of local personnel under the 'common roof' approach. In addition, UNICEF has a regular Country Programme in CSI that seeks to use bilateral funds for smaller strategic programmes that are not covered under OFF and which are implemented through NGOs. The Country Programme focuses on: training and capacity building to improve social service delivery, and rehabilitation of essential infrastructure ensuring that programming maintains complementarity with OFF.

UNOPS

53. UNOPS's Programme in NI consists of five components: Mine action, IDP support, Urban Water and Sanitation, Joint Humanitarian Information Centre (JHIC) and a field administrative support service. Through the mine action programme, UNOPS is trying to build local partners' management and operational capability, with the objective of strengthening local de-mining capacity. The lead for IDPs shifted from the United Nations Office of the Humanitarian Co-ordinator for Iraq (UNOHCI) to UNOPS in November 2001. The IDP Programme includes the distribution of relief items (involving some local procurement), water and sanitation rehabilitation, "camp"

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reconstruction, social service provision, as well as a social-reinsertion programme (skills development). UNOPS also has a small Country Programme in CSI.

WFP

54. In NI, WFP is responsible for the transport, handling and distribution of the food ration under SCR 986. Because a massive logistics operation is required for distribution and monitoring of the OFF food basket, WFP has developed a population database in NI and also acts as a census and verification agency. Alongside distribution of the food basket, WFP implements a Nutrition Programme that aims to help vulnerable groups complement food needs not being met by the SCR 986 food basket. It includes activities aimed at addressing longer-term food security, and as such can be considered as a more developmental focused programme. Activities include school feeding projects and income generating projects (such as poultry raising) and food-for-work initiatives (such as vegetable gardening). WFP works with local NGOs to implement these programmes. WFP implements a regular Protracted Relief and Recovery Operation as part of its Country Programme in CSI.

WHO

55. In the initial phases of OFF implementation, WHO's work was a supply driven operation. However, since 1999 WHO has moved towards sustainable health sector rehabilitation and capacity building programming. WHO's work under OFF in NI has three components: rehabilitation of the health sector (including drug distribution, equipment supply and repair, and infrastructure rehabilitation), public health programmes, and medical and nursing education. WHO has a regular Country Programme in CSI consisting mainly of technical inputs.

Key Observations, Operational Constraints and Challenges

OFF Programming Mandate

56. Because OFF was envisaged as a temporary measure to meet the immediate humanitarian needs of the Iraqi people, it lacks a long-term focus either in its design (with six month phases) or in its mandate. The very nature of OFF limits UN activities implemented under this programme to those outlined in UN resolutions and the MOU with the GOI. Because OFF was never intended to fund strategic development programmes and has no remit to do so, there are enormous challenges faced in NI in terms of addressing longer-term development requirements.

57. In the first seven phases, OFF was very commodities driven, based on shopping lists prepared by the UN in consultation with the Kurdish Authorities, for approval by GOI and UNOIP. Although not formally recognised, from 1998 onwards (after phase seven) the UNOIP introduced a 'project approach' that ensured the agencies framed their inputs and procurement requests within a project. According to UNOIP this served to promote a more comprehensive approach in the implementation of OFF. The programme has developed through the phases and now that immediate humanitarian needs have been met through OFF in NI, there is

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acknowledgement by UNOIP and all implementing agencies that what is needed is a longer term development approach with a focus on capacity building, income generation, sustainable livelihoods etc.

58. Although not formally recognised, there is a consensus amongst the agencies that there is a lot of 'mandate creep', in terms of programming on the ground, towards a 'development approach'. This has stretched the MOU with the GOI and is a potential source of tension between the UN and the GOI. The 'mandate creep' can be illustrated by the 'common roof' approach taken by UN agencies in NI whereby local technical people from the ministries are salaried to work side by side with international experts for on-the-job training to build capacity and help move towards programme sustainability. Furthermore, many agencies are engaging in capacity building programmes which include: teacher training, training local staff (such as deminers through UNOPS), strengthening the private building industry (through HABITAT) and credit and income generation schemes (through FAO).

59. Comments. Although UN agencies, including UNOIP, want a programming mandate shift towards a development focus, the constraint to this lies with the GOI. Development programming will serve to strengthen civil society and the Kurdish Authorities, thus giving NI strength to their claim for and viability of independence from CSI. As long as OFF continues there is an assurance that NI will not be able to re-establish its economy based on agricultural outputs. Thus, the population will be kept on the edge of survival and in a cycle of poverty by handouts from OFF, meeting short term humanitarian needs rather than focusing on long term benefits and growth, which could be brought about through development programming. This is the ultimate control measure and any attempts to change this will be blocked by the GOI. UKMIS New York is pushing for an official OFF mandate change in this regard. DFID could position itself, through its development expertise and mandate, to support this initiative.

Local Procurement/ Cash Component (SCR 1284)

60. It is very difficult to define the 'cash component', evident by a wide range of opinion across the UN agencies as to what SCR 1284 means and what the cash component entails. In essence the 'cash component' encompasses local procurement. Creating a demand for goods to be manufactured and supplied locally serves to inject cash into the economy, through both labour to produce the goods and the sale of goods through local markets.

61. Although SCR 1284 has not been approved by the GOI, there is a cash component in the oil sector (in the amount of ~\$1.2 billion per phase) in order to ensure the oil can flow at the capacity required to meet humanitarian needs under OFF.

62. Contrary to official idiom, there is a general agreement amongst the UN agencies that there is cash in the system for the purchase of local items and services and that the official lines on this are different to what is actually transpiring on the ground. Many agencies are procuring locally by contracting services in full to local

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contractors. Many of the raw materials to fulfil the contracted item (for example a school) are procured locally, to which the UN turns a blind eye.

63. According to UNOIP there is a special clause applied to OFF programmes in NI, allowing agencies to use cash to implement OFF activities. However local procurement is not permitted under this clause. This arose from a precedent set by UNICEF, who began local contracting in NI in 1998. In response to this, the Security Council decided that building contracts could be taken forward locally although this was never formalised into a resolution. It would appear that alongside these local building contracts, the raw materials to support the contracts are also procured locally.

64. Although the unofficial 'cash component' and local procurement does inject quite significant resources into the NI economy (of \$279 million programmed for the development of the agricultural sector by FAO, \$42.6 million has been spent as a cash component for project implementation), the degree to which it can contribute to income generation and economic growth is limited by a lack of manufacturing capacity and the absence of a competitive market. NI could benefit from activities that strengthen the manufacturing sector and contribute to a diverse and stable economic base.

65. The introduction of local procurement and the cash component, through approval of SCR 1284 by the GOI, is the key to maximizing the effectiveness of OFF for the benefit of the people of NI. It would permit local procurement, which is absolutely essential for stimulating the market economy, especially in agriculture. In turn, stimulating the economy would bring cash into the system and increase purchasing power thus starting the cycle of growth which has been systematically undermined in the process of trying to serve short term humanitarian needs through OFF. Furthermore, it would permit a cash injection into the OFF programme which could be utilised for more 'development' type activities such as the development of human resources through training programmes and income generation schemes, which would serve to underpin and render more effective the flow of commodities through OFF. It appears that the GOI may be softening on the issue of SCR 1284 and therefore it is an opportune time to take this forward.

Planning under OFF

66. Planning within OFF is very difficult because:

- a) Six-month phases do not facilitate the planning process.
- b) It is difficult to plan in an environment where there are substantial delays in bringing in the inputs needed for a project. Current statistics indicate that the time lag between approval of items by UNOIP to their arrival in situ, is equivalent to approximately 272 days, and this does not include time required for project planning.
- c) The allocation of OFF resources is founded on a formula according to each sector rather than based on needs.
- d) Given the plethora of implementing agencies, partners and stakeholders, and the size and complexity of OFF, joint planning is a major challenge.

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67. While six-month phases are a limiting factor, many of the agencies are now planning for the longer term through basing their programming on anywhere from one to three year timeframes and dividing it into chunks of six months to mirror the OFF phases. This process serves to focus on longer-term goals and allows for progress in one phase to build throughout subsequent phases. Furthermore, budgeting in this manner facilitates the hiring of staff.

68. Comment. Due to the short nature of the cycles and the lack of consistency and dependability with regard to procuring items it is very difficult to adopt a longer-term approach necessary for development type initiatives. In some sectors, such as education and agriculture, it is near impossible to implement programmes with the aim of seeing progress within the short time frame of six months. The agencies appear to have worked around this in part by developing longer-term plans and dividing them according to the requirements of OFF phases. Long term planning should be encouraged.

Co-ordination

69. UNOHCI is the main body for co-ordinating OFF throughout Iraq. The Humanitarian Co-ordinator resides in Baghdad with the Deputy Humanitarian Co-ordinator based in NI. There are two units in UNOHCI: the planning and co-ordination unit and the operations co-ordination unit. Co-ordination with the Kurdish Authorities is facilitated through counterparts in the technical ministries, which appears to be an effective process. Key co-ordination issues for OFF implementation in NI are highlighted below:

- Information is not widely available. To tackle this issue, UNOHCI is setting up a JHIC in Erbil.
- The program is very fragmented and UNOHCI spend a lot of time trying to keep it 'oiled'.
- UNOHCI is trying to pull together a multi-agency and multi-sectoral approach (since 2000) through a common co-ordination framework but the six-month phased approach impedes this process.
- Several agencies are undertaking mapping exercises to identify gaps. Preliminary findings divulge sectoral coverage as good but geographical coverage at less than 100%.
- At present the International NGOs are not permitted to attend UN Inter-Agency meetings (further discussed in the section on Co-ordination with OFF and among agencies operating outside of OFF). All stakeholders must be included in the co-ordination process to ensure collectivity of response in order to maximize the effectiveness of assistance provided in NI.

Contract Holds

70. Besides longer term problems associated with the implementation of OFF, another key weakness is related to delays in delivery of items to NI as result of holds or blocks by the sanctions committee or as a result of internal delay tactics by the

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GOI. In February 2002, out of a total of \$41 billion in humanitarian contract applications under OFF, \$5.3 billion were blocked or on hold. These holds and blocks affect certain sectors more than others. For example in Dohuk governorate reports indicate that only 28% of medical supplies ordered through OFF to date have arrived in situ. While the GRL intends to unblock these delays, its effectiveness in doing so remains to be proven.

Cessation of OFF/Dependency Issues

71. OFF was envisaged as a short-term programme to meet immediate humanitarian needs and as such was not intended to extend into the twelve phases. There was a broad consensus amongst the UN agencies that whilst OFF has supplied humanitarian goods which have served to avert a humanitarian crisis, dependency through the implementation of OFF has now reached such a point that withdrawal of OFF would itself lead to a renewed humanitarian crisis. Although many UN Agencies implementing OFF expressed concern over the fragility of the OFF programme, there is a consensus that very little has been done so far to prepare for the cessation of OFF. Discussions focusing on the cessation of OFF must be further encouraged.

72. In view of the dependency created by OFF, the only possible sensible withdrawal of OFF would be a slow, phased, step-by-step approach, accompanied by the gradual building of local markets with support to revive agricultural production and livelihood opportunities. In order to support this process, SCR 1284 must be approved to facilitate economic growth through local procurement.

73. If a military intervention into Iraq were to take place, the likelihood of a disruption in the oil pipeline and termination of the OFF programme is high. It is anticipated that the humanitarian impact of a disruption in the food basket would be catastrophic. The International Community needs to prepare for this contingency by building regional stockpiles of food and other relief items and ensuring that the systems are in place to ensure a rapid response if the need arises.

PROGRAMMING OUTSIDE OF OIL FOR FOOD

Background

74. As a result of the bilateral aid made available under SCR 688 in 1991, close to one hundred NGOs came to work in NI. However, in 1992 the GOI refused to renew NGO visas. For those that chose to remain in NI their point of entry was through Turkey, making them illegal in the eyes of GOI. Under the implementation of SCR 986, UN agencies began operating under a strict adherence to the sovereign integrity of Iraq and as a result began to shy away from working with NGOs, because GOI considered their presence illegal. Under the terms of SCR 986, UN agencies thus interpreted any partnership with International NGOs as illegal. UN agencies such as UNICEF who relied on NGOs to implement some of their key projects, were left to implement programmes themselves.

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75. Policies and programmes of the NGO community, who had been working in NI for up to six years before the implementation of SCR 986 were not formally included into UN planning work with the implementation of SCR 986. While this issue was raised in 1997, no progress was made to include NGO plans. By 1998 many NGOs recognized that the emergency nature of SCR 986 undermined some of the longer term initiatives they had initiated and by the end of that year only 12 International NGOs were working in NI. Today we estimate there are some 20-25 International NGOs implementing programmes in NI.

76. Because NGOs currently implementing programmes in NI are technically illegal and do not fall under the umbrella of UN SCRs or the MOU established between the UN and GOI, they implement projects "free" from GOI restrictions and can focus on development orientated programmes in an attempt to compensate for the shortfalls of commodity driven OFF programming.

77. The International Committee of the Red Cross (ICRC) and UNHCR are the only two agencies that have recognized authority (both by the UN and GOI) to implement programmes outside of OFF in NI. ICRC and UNHCR are therefore the only two agencies that can legally implement longer-term, development-focused programmes in NI. Premiere Urgence, an NGO working in CSI, is also close to reaching an agreement with GOI which would allow it to work legally in NI.

Current Focus

78. We consulted with BRCS, SCF, A Community Oriented Rehabilitation Network (ACORN), Response, Relief, Resettlement and Rehabilitation (4Rs), CORDAID, HelpAge and Christian Aid (CA) to gain their views on the key challenges of implementing programmes "outside" of the OFF framework. Each agency highlighted the importance of promoting interventions that seek to compensate for the shortfalls and negative impact of OFF on longer-term recovery in NI. Agencies reported that NGO projects in NI had, for the most part, moved away from relief, rehabilitation and reconstruction efforts to concentrate on the development of longer-term capacity building initiatives, that help pave the way for a reduction on dependency created by OFF.

Opportunities, Constraints and Challenges

Working alongside OFF

79. The OFF programme acts as a disincentive for longer-term development planning. Agencies reported that is difficult to motivate local partners to work on development programmes which focus on self reliance and could have long term benefits, when in parallel OFF can offer short term gains. In an environment where the population is disempowered by poverty, the choice of short term gains such as commodities supplied by OFF will inevitably take precedence over long term inputs, the benefits of which may not be tangible in the immediate future. The gift culture built through the implementation of OFF thus acts to weaken local coping mechanisms, distorts choice options in favour of commodities and undermines self-determination.

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80. A key constraint to working alongside OFF relates to the negative influence of the OFF programme on strengthening the humanitarian commitment of local implementing partners (further detailed in the section on Working with local partners) and poaching of staff by UN agencies (who typically pay up to two or three times the salaries paid by NGOs).

81. NGOs were sceptical about the positive impact of SCR 1409, particularly with regard to the implementation of the GRL. They felt it would do little beyond absolving the Security Council for responsibility on contract holds. While SCR 1409 may help to speed up delivery of humanitarian items into NI, it does nothing to address the longer-term problems caused by the limitations of the OFF framework.

Co-ordination with OFF and among agencies operating outside of OFF

82. The relationship between UN agencies implementing OFF and International NGOs working "outside" OFF is reportedly at an all time low and has deteriorated rapidly since the change of UNOHCI personnel in 2000. Practical arrangements that govern co-ordination between OFF and non OFF stakeholders in NI are primarily linked to the nature of the personalities involved, and the level to which UN representatives are prepared to go to ensure complementarity of work.

83. NGOs report that the deterioration of the relationship with UN agencies could be linked to increased pressure from Baghdad for UN agencies to divorce themselves from all activities in NI that do not relate to the direct implementation of SCR 986. At present there is no sense that UN agencies are willing to test these boundaries with regard to co-ordination with NGOs. NGOs can no longer attend inter-agency meetings. However they can participate in sectoral meetings, but this remains at the discretion of the lead UN agency. Attendance must be approved prior to each meeting and cannot be recorded in meeting minutes. SCF reported that NGOs should continue to push for inclusion into UN agency sectoral meetings rather than focus on setting up a parallel system, which could lead to enhancing the divide between OFF and non OFF programming.

84. Our interlocutors highlighted that a lack of consistent engagement between OFF and non OFF actors results in limited joint planning to ensure complementarity of approaches. Plans do not serve to inform each other except on an ad hoc basis. The process of engagement often begins informally during implementation at the local level, when plans have already been approved and there is little opportunity to modify them.

85. NGO co-ordination meetings to help ensure complementarity of activities "outside" OFF programming were formally instigated eleven months ago. Meetings alternate between Sulaimany and Erbil and focus primarily on security issues.

Working with local authorities

86. NGOs highlighted a very positive working relationship with Kurdish Authorities. This is helped by the fact that they are perceived to be entirely

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independent from the Baghdad regime. Several agencies explained that their engagement with Kurdish Authorities was made easier with increasing signs of democratic processes emerging. This was partly evidenced during municipal elections held in all three governorates in 2000 and 2001 and the creation of municipal assemblies in Erbil and Sulaimany.

87. NGOs reported that Kurdish Authorities are very aware of the need to revitalise markets and move away from OFF programming, but that they remain in a poor position to plan for this since they are subject to economic sanctions and internal blockades by GOI, and have limited financial resources. Despite this difficult situation they are receptive and committed to longer term planning efforts and willing to discuss the implications of the cessation of OFF.

88. Our interlocutors operating "outside" OFF indicated that the Kurdish Authorities were taking their civil duties seriously with encouraging signs of political maturity. Longer-term programmes in partnership with these authorities to strengthen civil society networks are reportedly progressing in the right direction. This is further discussed in the section summarising DFID's Current Involvement.

Working with local partners

89. Identification of reliable local partners who have an active interest in implementing longer-term development programmes is a challenge in NI. Many local NGOs have emerged as a direct result of the OFF programme. These groups typically act as contractors for OFF (frequently on a for-profit basis), or as distributors of relief items. OFF presents a good source of income for these groups. Their *raison d'être* is often divorced from humanitarian or longer-term development imperatives. Contracts awarded to local NGOs through OFF programming are often linked to local politics.

90. Due to the nature of OFF (broken down into six-month phases), local NGOs have not developed significant long term planning horizons. There are thus still significant challenges ahead in order to build their capacity in planning for and implementing long-term development programmes.

91. While NGOs report progress in trying to address some of these issues with their local partners and have generated some interest in stimulating income generation and self reliance, taking these initiatives forward alongside the implementation of OFF remains a huge challenge.

SUMMARY OF CURRENT DFID INVOLVEMENT

Existing Programmes

92. DFID is currently supporting CA, HelpAge, 4Rs, ACORN, SCF and the Mines Advisory Group (MAG). Except for MAG, each agency is entirely funded by DFID for its programme in NI. DFID has also recently approved a contribution to the United Nations Guard Contingent for Northern Iraq (UNGCI). DFID supports ICRC's Annual

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Humanitarian Appeal for Iraq. This contribution is un-earmarked, covering both NI and CSI. A summary of DFID funded projects is attached at Annex F.

93. Programmes currently supported by DFID have, for the most part, shifted from rehabilitation and reconstruction work to the development of longer-term capacity building programmes and livelihood generation, recognising that material inputs can be provided through OFF programming. These programmes typically focus on the provision of "software" versus "hardware" inputs. DFID funded programmes try to address some of the shortfalls of OFF. As such, projects supported by DFID attempt to build institutional policy, planning and management capacity for improved social service delivery by NGO partners and local authorities, resulting in an increased commitment to longer-term development work over commodity driven relief assistance. In addition, most projects also seek to support livelihood generation through the development of sustainable income generating activities. DFID projects target particularly vulnerable groups, including destitute women, children and the elderly.

Programmes in the Pipeline

Capacity building with local authorities

94. IMC, a private consulting firm, has been contracted by DFID to design a project to build the technical, administrative and planning capacity of the Kurdish Authorities. While OFF does not officially recognise these authorities, they are nonetheless required to provide networks which support delivery of services provided through OFF. By helping to build capacity of the local authorities, the project will help improve the implementation of OFF while at the same time help to equip Kurdish Authorities in planning for the eventual withdrawal of OFF.

Other

95. MENAD has received additional project proposals from 4RS and ACORN. Both agencies propose a final project phase, serving to build a higher level of sustainability into their work, to ensure activities will be maintained at the end of respective project cycles. Kurdistan Children's Fund (supported by DFID in the past) has also submitted a project to provide support to vulnerable populations from the Anfal Operations. MENAD has recently turned down a sensitive project submission to address specific health needs of the Kurdish people following the Anfal Operations.

Comment

96. Discussions with NGO partners highlighted good progress in terms of building social service delivery capacity in NI. While DFID partners emphasised the challenges of working with local NGOs, communities and local authorities to implement longer term sustainable development programmes alongside the "gift" culture generated by OFF, reports indicate progress was being made in terms building commitment to longer term processes.

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97. While acknowledging that these programmes may not result in immediate tangible gains, our consultations indicated that local NGO partners are becoming progressively more engaged and committed to programmes that will help prepare for the cessation of OFF. The commitment of the Kurdish Authorities to some of the activities undertaken by DFID partners is evidenced through allocation of financial resources to meet project running costs, and active participation in activities that seek to build longer term administrative and planning capabilities.

98. Efforts to generate livelihoods are significantly hampered by the scale of OFF programming and its destructive effect on local markets, particularly in the agricultural sector. Measuring the impact of DFID funded activities in terms of livelihood generation is complex. While discrete projects can help to build livelihood opportunities, promotion of income generating projects in a culture characterised by free hand outs is particularly challenging. Promotion of agricultural based livelihoods in a society where the production cost of most staple crops exceeds market values does not make economic sense for project beneficiaries and acts as a disincentive.

99. Most partners acknowledged that projects that seek to build sustainable livelihoods in a significant and effective manner can only be undertaken with the gradual withdrawal of OFF and the resumption of economically viable market mechanisms. While some programmes demonstrate a level of success in supporting viable income generation activities, these are very discrete interventions and their strategic overall impact is limited, representing a drop in the ocean in terms of building longer-term viable livelihood opportunities.

100. Among our NGO partners only SCF is actively engaged in Disaster Preparedness (DP) work in NI. This is further discussed in the Contingency Planning and Disaster Preparedness section of this document. While CA, 4Rs and HelpAge all have disaster response experience, DP is not a significant component of their current programmes. These agencies do acknowledge the potential threat of further conflict and are working on contingency plans. However, the focus of this work is primarily limited to evacuation planning.

SECURITY AND ACCESS

General Update

101. NI is currently in UN security phase three. Our interlocutors did not highlight any significant changes in the security situation over the past twelve months. Since the events of September 2001, there has been some increase in the security threat around Halabja. This is caused by a number of Islamic groups operating in the area. Barring the potential for further conflict triggered by a military intervention on Iraq, the biggest security threat is linked to a deterioration in relations between PUK and KDP authorities (although NGOs and the European Community Humanitarian Office (ECHO) noted improved relations between the two groups), and the potential for further internal political assassinations and ad hoc explosive incidents.

102. All three governorates are accessible. However, UNOPS estimates that approximately 15% of the land in NI is off limits to international assistance

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programmes. This includes a five-kilometre zone along the border with Iran which is mined, and small pockets of insecure areas around Halabja and close to the Turkish border.

103. Access into NI for NGOs remains unpredictable. Obtaining permission to enter through Syria typically takes two to three months. There has been little progress on setting up a reliable air bridge between Dusseldorf and Iran. Unconfirmed reports indicate that it is becoming more difficult for Kurds to enter and exit through Turkey.

104. The main security concern for NGOs is their non-inclusion into United Nations Guard Contingent for Iraq (UNGCI) evacuation plans (further discussed in the section on United Nations Guard Contingent For Iraq). Should further conflict break out, evacuation through Turkey would be extremely difficult and there are concerns that the Baghdad regime would prevent evacuation through Syria. Iran has officially stated that its borders would be closed in the event of an emergency. However, following a visit to Iran in March, SCF reports that the evacuation of International staff may be acceptable to the Iranian authorities, providing crossing points were cleared and lists of people and equipment were prepared in advance and submitted to the Iranian Ministry of Foreign Affairs (MFA). The evacuation of local staff to Iran is much more complex since they would be subject to the same treatment as other Kurdish refugees, should the border be opened.

105. NGOs are currently working on a joint evacuation plan which is its final drafting stages. The plan includes codes of conduct, primary and secondary rendezvous points, setting-up of adequate stores and potential exit routes. MAG is the focal point for consolidating the plan.

United Nations Guard Contingent for Iraq

106. UNGCI was set up for the protection of international personnel during OPC. Up until late 1999 UNGCI acted as the security co-ordination umbrella for all international agencies working in NI. Up until that time, NGOs both contributed to and were a part of joint evacuation plans. However, UNGCI has now been subsumed into the UNOHCI office, the result being that relations with NGOs have progressively deteriorated to the point that NGOs are no longer included in UNGCI evacuation plans. Up until the first week of June 2002 NGOs were still included in nightly radio checks. In early June however they were advised, without explanation or warning, that this service would be curtailed. While UNGCI guards on the ground have expressed regret on a personal level, there is no evidence that attempts are being made to find workable solutions for improving security services afforded to NGOs.

107. Both donors and NGOs with whom we have consulted noted that UNGCI's key weakness was its inability to provide security services to agencies operating "outside" the OFF umbrella. MENAD has been advised that NGOs would be included in evacuation plans as far as possible. Both the Dutch and the Swedes are lobbying at the political level for a more formal inclusion of the NGOs, acknowledging that this is difficult given their illegal status in NI. The Dutch and the Swedes will continue to provide funding for UNGCI this year, however both expressed reservations relating

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to poor information flow and a lack of clear presentation of current activities. DFID, as a financial supporter of UNGCI, should continue to advocate to find a workable solution for inclusion of NGOs into UNGCI plans.

108. While the limitations of UNGCI's work are well recognised, there is nonetheless an acknowledgment that their presence does provide for a more secure operating environment, particularly with regard to the implementation of OFF programming. Due to its current funding crisis the number of guards has reportedly reduced from 89 to approximately 30 personnel. Current staffing constraints mean that the guards can no longer escort UN agencies on field missions, but they continue to act as a security co-ordination umbrella pulling security information together; translating information into security advisories and sharing information with relevant partners. UNGCI also co-ordinates the provision of local guards to UN agencies.

CONTINGENCY PLANNING AND DISASTER PREPAREDNESS WORK

109. This section briefly discusses the current status of contingency planning efforts should conflict break out in Iraq and also includes information about local DP work.

UN Agencies

110. Our discussions with UN agencies indicate that the most severe area of concern with regard to a possible attack on Iraq relates to the humanitarian impact of a disruption in the food pipeline.

111. In February 2002 WFP began the process of looking at the likely humanitarian impact of a military intervention in Iraq. The intention was that this would lead to the production of an inter-agency contingency plan by mid to late March. However the process was delayed and a second inter-agency meeting convened in Cairo under WFP's leadership, slipped to June 2002. At the same time a regional inter-agency mission comprising WFP, UNHCR and OCHA took place in June to look at the levels of preparedness among agency country teams in the region (Jordan, Iran and Turkey). We have received a copy of the WFP led inter-agency contingency plan and have requested a copy of the mission report, which is in its final drafting stages.

112. While UNHCR has developed regional and country contingency plans for Kuwait, Syria, Jordan and Iran, the current financial crisis within UNHCR means that it cannot do any stockpiling for a potential crisis in Iraq. UNHCR does report however that it has stocks pre-positioned in Iran from the Afghan crisis.

113. SCF reports that UN agencies in Tehran have been planning for a potential influx of refugees into Iran. Agencies have undertaken a co-ordinated scenario planning exercise, involving the heads of agencies both in Iraq and Iran. UNHCR estimate a potential influx of 100,000-200,000 refugees from NI, acknowledging these numbers could rise significantly (up to 1 million) depending on the scale of the conflict.

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Red Cross and Save The Children

Red Cross

114. The International Federation of the Red Cross (IFRC) has been working to build the Institutional capacity of the Iraqi Red Crescent Society (IRCS). The IRCS has branches in each governorate of NI and CSI. Work with the IRCS includes, among other activities, building its disaster response capacity through improved disaster preparedness planning.

SCF Programming in Northern Iraq

115. Among the NGOs with whom we consulted SCF is most actively involved in DP activities. SCF's DP programme focuses on supporting the development of local civil society structures in NI to respond to a potential disaster. SCF has supported the development of Emergency Preparedness and Response Committees (EPRCs) in all three governorates. SCF has also supported the setting up of emergency operations rooms both in KDP and PUK controlled areas. DP activities have included provision of training on Sphere standards to local NGOs and EPRCs. SCF has subsequently noted some success with regard to the incorporation of Sphere into local authority emergency plans. SCF is also working with the "Ministry of Humanitarian Affairs", advocating for them to take a lead on emergency preparedness co-ordination. The development of a co-ordinated approach is constrained by limited interface between the work of NGOs and UN agencies and is also limited by poor attendance of UN agencies at EPRC meetings. SCF is currently lobbying for greater inclusion of emergency response discussion and planning into NGO co-ordination meetings with a view to developing a common plan ensuring predictability of individual responses, should this be required.

SCF Regional Plans

116. SCF has recently conducted two missions to Iran, in March and May 2002. The purpose of the first trip was threefold and focused on: emergency response preparedness, possible response of the Iranian Government to IDP pressure in Iraq to cross into Iran, and staff evacuation. The mission led to an increased understanding of refugee scenarios relating to the displacement of Northern Iraqi Kurds into Iran. Work included a brief analysis of the following themes: potential resettlement locations; likely humanitarian needs; logistics requirements; existing emergency response capacity in Iran and the working environment.

117. In a recent interview (August 2002) with the Iranian News Agency, the Iranian Interior Minister reiterated Iran's official position, indicating that Iraqi refugees would not be allowed into Iran. The consensus opinion however is that while Iran would not open its borders to Iraqi refugees, it may soften its approach should Iraqi troops push up behind them. SCF's most likely scenario would therefore consist of working with affected populations inside NI with support from and establishment of a base in Iran (through an agency that has an existing presence in country). There are currently six International NGOs in Iran of which Medecins Sans Frontieres (MSF) is the only

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NGO with emergency response capacity and experience. However, given political sensitivities MSF cannot draw up contingency plans for a possible influx of refugees. The Iranian Red Crescent Society is reported to be strong and well placed to respond to emergencies. Well-stocked warehouses could cater for the emergency needs of a population up to 250,000 people for two to three months. The Bureau of Aliens and Foreign Immigrant Affairs (BAFIA), who seem to maintain control over refugee issues and also have considerable relief stocks are very non-committal on the issue of whether these stocks could be used if the Iranian border remained closed and IDPs were spread along the border on the Iraqi side.

118. It is difficult for new International NGOs to set themselves up in Iran, particularly British NGOs. SCF therefore currently plans to contribute to the work of Iranian NGOs. Five local NGOs have been identified as wanting DP training. SCF is currently proposing to provide training in Emergency Preparedness Planning (EPP) to Iranian NGOs and other agencies in Iran concerned with emergency interventions, to build their capacity to work with refugees.

DONOR PROFILES

Summary and Comment

119. We consulted colleagues at the Dutch MFA, the Swedish MFA, the Swedish International Development Agency (SIDA), and ECHO and received written information from the Norwegian MFA.

120. ECHO, the Swedes and the Norwegians all acknowledged greater unmet humanitarian needs in CSI than in NI. Most Dutch aid however is focussed on NI. The Swedes, the Dutch and the Norwegians are supporting programmes in NI and CSI. Following a recent assessment visit, ECHO plans to resume activities after a five year break in NI, and supports a number of NGOs and UN agencies in CSI. The Dutch, the Swedes and the Norwegians are supporting similar sectors to DFID in NI while ECHO will focus on IDP support. Given ECHO's strict mandate, support can unfortunately not be provided for longer-term capacity building work.

121. Our colleagues at the demonstrated limited understanding of the general humanitarian situation in NI. While acknowledging that capacity building programmes through NGO partners should be supported over commodity driven interventions which can be implemented through OFF, our interlocutors in did not demonstrate an in-depth understanding of the strengths, weaknesses and implementation procedures of OFF, nor did they seem to have much understanding of the impact of OFF on economic development in NI. Consideration into funding specific programmes was thus divorced from an analysis of OFF and did not appear to attempt to compensate for the weaknesses of OFF. Insight into contingency planning work and security matters was also limited. ECHO's analysis of the situation in Iraq provided much more in-depth insight, especially for CSI. The main objective of ECHO's Global Plan for 2002

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in Iraq is to address gaps that cannot be addressed through OFF programming such as the lack of a cash component.

122. While each of our interlocutors acknowledged that there is a real potential for further conflict in the region, none of the donors with whom we spoke had developed specific contingency plans.

Individual Donor Profiles

ECHO

123. The focus of ECHO's "Humanitarian Aid for the vulnerable population in Iraq, Global Plan 2002" is on the provision of assistance to CSI and will be discussed in further detail during the separate review of the situation in CSI. At the time that the plan was drafted, ECHO's intention was to re-evaluate the situation in NI, with the proviso that reserve funds from the Global Plan could be used to address unmet needs in NI. One of DFID's concerns was that this might drain resources and reserves in the event that an emergency response was required. ECHO is confident however that programming in NI would not preclude its capacity to fund an emergency response.

124. The assessment in NI was undertaken in June 2002. As a result ECHO is considering an allocation of 400,000 Euro for IDP support (water and sanitation, relief items and social integration through vocational / income generation), should suitable implementation partners be found. ECHO would only work through agencies (operating "outside" of OFF) who have a legitimate presence in NI. This would limit partners to ICRC, UNHCR or possibly Premiere Urgence, should GOI grant them permission to work in NI.

Dutch MFA

125. The Dutch do not have a defined government strategy for humanitarian assistance in NI. Proposals are considered on a case-by-case basis as and when they are submitted. UN appeals and individual agency proposals are considered on an annual basis (the Dutch financial year runs from January to December). No new proposals have been submitted this financial year. Should agencies not come forth, the Iraq budget could be transferred to another department within the humanitarian section of the MFA.

126. Although no funding has been officially allocated this financial year, key partners such as UNICEF have been informed that they will receive assistance upon submission of satisfactory project documents. New agencies could also be considered should they come forth. Monitoring of partner performance and project implementation is undertaken through a desktop review of project reports. Field visits by the Dutch Embassy in Ankara or by staff from the MFA are not undertaken to NI.

127. A summary of programming information for last financial year (2001) is provided below. The Dutch MFA anticipates similar allocations for this financial year:

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Annual Budget for Iraq	Euro 3,200,000.
Allocations	UNICEF and ICRC: Euro 1,800,000. NGOs, the Dutch Red Cross and UNGCI: Euro 1,400,000. This year's support to UNGCI will likely shift from an in-kind contribution through the provision of guards to a cash grant (Euro 100,000) to help address UNGCI's current funding crisis.
Sectoral Focus	Health (supplementary and therapeutic feeding), water & sanitation, education, refugee assistance, landmine victims and security.
Partners in CSI	UNICEF and CARE.
Partners in NI	CORDAID (three year programme due to close this year), the Dutch Red Cross, Stichting Vluchteling (a Dutch based Refugee Organisation) and UNGCI.
Non-earmarked CSI & NI	ICRC.

Swedish Ministry of Foreign Affairs and Swedish Development Agency (SIDA)

128. The Swedes do not have a defined strategy for humanitarian assistance in NI. In a similar manner to the Dutch, SIDA considers proposals as and when they are presented. SIDA's last visit to NI was several years ago. Whilst most of this year's budget will likely be allocated to existing partners, SIDA is not adverse to working with new groups, should financial resources permit.

129. The MFA has requested SIDA to undertake an assessment of the situation in NI and CSI. Fieldwork in NI is planned for the early autumn. The outputs of this work will be similar to DFID's, resulting in the development of a more defined strategy for Iraq. A draft is expected by the end of the autumn. There is some anticipation that the new strategy may result in increased focus in CSI, based on information indicating that there are more immediate unmet humanitarian needs in this region. Our interlocutor acknowledged that even if humanitarian needs in NI were less significant than in CSI, there remains a need to continue to press for the provision of assistance in NI and continued presence of the international community "outside" the OFF programme, not least for political reasons.

130. A summary of programming information is provided below:

Annual Budget for Iraq	Average annual contributions for NI and CSI amount to approximately \$ 4-5 million.
Sectoral Focus	Health, water and sanitation, de-mining, support to landmine victims and security.
Partners in CSI	UNICEF, CARITAS, CARE.

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Partners in NI	Kandil (Swedish NGO), MAG, UNGCI.
Non-earmarked CSI & NI	ICRC & the Swedish Red Cross

Norwegian Ministry of Foreign Affairs

131. A summary of programme information is provided below:

Annual Budget for 2002	Approximately USD 3.1 million.
Sectoral Focus	Water and sanitation, health/nutrition, and landmines.
Partners in NI	Norwegian People's Aid, Tromso Mine Injury Centre.
Other Partners	UN agencies and the ICRC.

CHECKLIST OF KEY DOCUMENTS THAT REQUIRE FURTHER REVIEW

- UN inter-agency Emergency Preparedness Mission Report (currently being completed, including input from UNHCR/ WFP and OCHA)
- Inter-agency scenario planning exercise conducted in Iran
- UNHCR Contingency Plans for Iran, Syria and Turkey
- SIDA Assessment report (to take place in September)
- CORDAID End of Programme Review (to take place in September)
- NGO Evacuation Plan (currently in its final drafting stage)
- UNSECOORD Evacuation Plan

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Annex ATerms of Reference**NORTHERN IRAQ PROGRAMME REVIEW****Background**

1. The Secretary of State held an office meeting on January 15 2002 to discuss DFID's humanitarian policy for Iraq. The difficulties of obtaining reliable evidence of the internal situation in Iraq were noted. In order for DFID to properly inform itself, a review of the current bilateral humanitarian programme for Iraq will be undertaken in order to draw lessons from which a more defined strategy can be developed. The Northern Iraq Programme Review will serve to inform this strategy alongside information gleaned from the Central/Southern Iraq CARE evaluation and from the Amar Iraqi Refugee programme review in Iran.

2. DFID spent approximately £9m from bilateral funds on the Iraq programme in the last financial year. Since the Gulf War began, British assistance has amounted to more than £100 million. In the financial year ending 31 March 2002, DFID provided approximately £3 million in humanitarian assistance to Kurdish "controlled" areas of northern Iraq for a wide range of activities. These include work with mines-affected communities; village rehabilitation for internally displaced and vulnerable women and children; physiotherapy for children with physical disabilities; social support for older persons; the development of a statistical capacity to assist the Kurdish administration in planning; and an integrated water management programme. In Central and Southern Iraq, DFID is providing an annual core contribution of £5.5 million focusing partly on rehabilitation of water and sanitation infrastructure. DFID is also providing £750,000 to improve health care of Iraqi refugees in Iran.

3. Since the UN's "Oil for Food" programme (OFF) began in December 1996, over USD 35.2 billion worth of humanitarian supplies and equipment contracts have been approved for delivery to Iraq. Supplies and equipment worth USD 22.4 billion have been delivered to Iraq, while another USD 10.5 billion worth of humanitarian supplies and equipment are in the production and delivery pipeline. Security Council Resolution 1409 (May 2002) introduced a Goods Review List (GRL), which will change controls on Iraq from the current situation where all exports to Iraq are prohibited unless approved by the UN, to one where all exports are allowed except for the more focused list of goods on the GRL. The aim of the GRL is to improve the delivery of humanitarian goods for the Iraqi people, while still maintaining controls on Iraq's weaponry and its ability to threaten its neighbours and the world.

Goal

4. To conduct a review of DFID programming in Kurdish "controlled" areas of Northern Iraq (NI) in order to help inform a more focused strategy for DFID programming in NI as part of the development of a wider DFID strategy for Iraq.

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Purpose

5. To conduct a review of current DFID programming in NI as a component of the broader international response in NI, and to project short and medium term requirements in NI as a basis for a future strategy into which a future humanitarian response could be dovetailed.

Objectives6. DFID Programming

To conduct a desktop review and field visit of current DFID programming in NI in order to:

- a) assess overall programming appropriateness, effectiveness and impact (where possible);
- b) draw lessons and identify potential avenues for increasing the effectiveness of future funding.

7. Situation Analysis

- a) to improve DFID's understanding of the current humanitarian situation in NI;
- b) to engage with relevant actors to identify potential gaps in sectoral and geographical coverage in NI;
- c) to assess how security issues have impacted and will continue to impact upon programme implementation in NI;
- d) to inform DFID of on-going contingency planning by key actors in the region.

Activities

8. In order to meet the objectives outlined above, Western Asia Department (WAsD) will work alongside an appointed Conflict and Humanitarian Affairs Department (CHAD) adviser to undertake activities detailed below. This review will also explore mechanisms for continued collaboration between CHAD and WAsD for the development of a DFID programme strategy for Iraq, including advisory input from CHAD to the Central/Southern Iraq CARE review and the Amar Iraqi Refugee programme review in Iran.

9. The Desktop Review will include:

- a rapid overview of the OFF programme and an analysis of the impact on DFID funded programmes;
- a review of key Iraq files, dating back to 1998, focussing specifically on policy documents and current DFID-funded programmes;
- a review of relevant reports and evaluations;
- preliminary consultations with relevant stakeholders including: DFID, other donors, United Nations Office of the Iraq Programme (UNOIP), UK missions in New York and Geneva, Foreign and Commonwealth Office (FCO), UN agencies, the International Committee of the Red Cross (ICRC), the International Federation of the Red Cross and Red Crescent Societies (IFRC) and NGOs;

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- a review of current and planned strategies of donors, including ECHO.

10. The Field Visit to NI will include:

- consultations with the following stakeholders: Kurdish authorities; beneficiaries; representatives of DFID funded organisations; ICRC, the Iraqi Red Crescent Society (IRCS); local NGOs; Community Based Organisations (CBOs); UN agencies and the representative of the British Embassy in Ankara covering NI;
- visits to project sites in both Patriotic Union of Kurdistan (PUK) and Kurdish Democratic Party (KDP) 'controlled' areas;
- exploring security arrangements with a specific focus on the United Nations Guard Contingent in Northern Iraq (UNGCI);
- assessment of co-ordination mechanisms outside the OFF programme and identification of strengths, weaknesses and opportunities for improvement;
- analysis of the ways in which the OFF programme influences the overall aid programme, and particularly DFID funded programmes.

Outputs

11. The work outlined above will result in:

- a report which will contribute to informing a draft humanitarian strategy and recommendations for DFID programming in Iraq, taking into consideration short-term and medium-term requirements, current contingency planning and the potential for a strategic humanitarian response;
- once the draft strategy is prepared, a presentation of findings through an informal meeting with relevant stakeholders in the UK (to be held in DFID).

Management Arrangements

12. This review is a WAsD led exercise with advisory input provided by CHAD. WAsD undertakes to:

- identify and present CHAD advisers with key documents relevant to the desktop review;
- facilitate dialogue between CHAD advisers and relevant stakeholders during the desktop review;
- provide input to CHAD advisers prior to consultation with relevant stakeholders;
- make all necessary arrangements for the field visit, including travel, visas and organising meetings;
- participate in the field visit;
- provide input into drafting a report of findings and recommendations;
- take the lead on sharing findings from the review with relevant stakeholders.

13. CHAD undertakes to:

- appoint a lead humanitarian adviser to work on the Iraq program;

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- b) lead on the desktop review;
- c) conduct a field visit in collaboration with WAsD and the FCO;
- d) in consultation with WAsD, prepare a report of findings and recommendations;
- e) participate in sharing findings from the review, as requested by WAsD.

Timing

14. The desktop review will take place from June 10 to June 17. The field visit will be conducted from June 18-28. A joint WAsD / CHAD report will be finalised within 14 days of return to the UK.

15. Information from the desk review, the NI field visit, the Central/Southern Iraq CARE evaluation and the Amar Iraqi Refugee programme review will form the basis of a draft programme strategy, which will be prepared jointly by WAsD and CHAD, to be ready for wider discussion by the autumn 2002 with finalisation of the strategy completed by December 2002.

Western Asia Department/ Conflict and Humanitarian Affairs Department
Department for International Development
May 2002

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Annex BPersons ConsultedDonors

- Dutch Ministry of Foreign Affairs:
- Swedish Ministry of Foreign Affairs:
- Swedish Development Agency:
- ECHO:
- Norwegian Ministry of Foreign Affairs:

British Red Cross

-

Non Governmental Organisations

- Oxfam Humanitarian Affairs Department:
- Save the Children UK: , Iraq Adviser; , Northern Iraq Programme Director
- Christian Aid:
- ACORN:
- Helpage UK:
- 4Rs: and in written communication 4R's programme manager in NI
- CORDAID:

UN Agencies

- FAO:
- HABITAT:
- UNESCO:
- UNHCR:
- UNICEF:
- UNOIP:
- UNOPS:
- WFP:
- WHO:

UK Missions

- Geneva:
- New York:

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Annex DKey Topics Discussed

Information sought during the desktop review can be grouped under the following themes:

Economic Trends:

- We queried whether there had been any significant changes in economic trends in NI over the last twelve months, including any growth of note in particular sectors. We also sought to clarify whether there were any significant differences in terms of economic growth between PUK and KDP controlled areas.

Distribution of Assistance:

- We queried whether distribution of humanitarian assistance was equitable across the three governorates of Erbil, Sulaimany and Dohuk; whether there were any significant discrepancies between urban and rural areas, and within rural areas, between mountainous, rain fed and arid areas.
- We sought to identify whether there were any unmet gaps in delivery of humanitarian assistance; who were the most vulnerable groups and how these were targeted.

Oil For Food Programming:

- We queried how the implementation of OFF impacts upon the humanitarian situation and the development of assistance programmes "outside" of OFF. We asked what sectors were not addressed by OFF programming.
- We sought to increase our understanding of the strengths, weaknesses and limitations of OFF and queried whether UN agencies could implement country programmes in NI, in addition to implementation of OFF activities.
- We questioned to what extent agencies can use cash, under OFF programming, to invest in longer-term capacity building initiatives and whether it is possible for UN agencies to undertake capacity building work within the OFF framework.
- We sought to clarify whether there are opportunities for agencies to work around some of the restrictions and constraints posed by OFF. Acknowledging that OFF has no longer term remit for strategic development planning, we queried whether there were nonetheless opportunities to stimulate local economic activity on a medium term basis within the OFF framework. We queried how OFF could be implemented to render programming more effective.

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- We questioned to what extent OFF supports local labour markets and sought to quantify how much this represents in terms of input into the local economy.
- We sought to increase our understanding of the UN agency implementing partner network through OFF and queried whether agencies could work through local NGOs and CBOs or whether activities were implemented through local contractors. We asked about their strengths and weaknesses.
- We queried whether it was possible for agencies to prepare for the cessation of OFF given the constraints of the current operating environment and whether programmes were being prepared with this in mind.

Programming "outside" of Oil For Food:

- We sought to clarify how DFID programming "outside" of OFF could be built upon to capitalise on some of the strengths of OFF while attempting to compensate for some of its weaknesses. We queried how programmes currently implemented "outside" of OFF were designed to compensate for some of the weaknesses of OFF and to what extent this could be achieved.
- We sought additional information about local implementing partner networks and queried their strengths and weaknesses. We tried to gain a better understanding of key challenges posed by these partnerships. We questioned how local implementing partner capacity could be built upon to develop programmes that address longer-term developmental goals.
- We sought to increase our knowledge about donor interest in supporting programmes "outside" of OFF.

Co-ordination:

- We sought to clarify how activities implemented under OFF are co-ordinated among UN agencies and tried to identify the strengths and weaknesses of these co-ordination mechanisms.
- We queried how activities implemented under OFF are co-ordinated with the work of NGOs operating "outside" the OFF programme. We sought to understand how activities implemented "within" and "outside" of the OFF umbrella serve to complement each other, and inform each other of gaps in the delivery of assistance.
- We sought to increase our understanding of NGO co-ordination mechanisms "outside" of OFF to ensure complementarity of their activities.

Working relationship with PUK and KDP authorities

- We enquired about the differences in working with PUK and KDP authorities; whether there are any significant differences in the way assistance is

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delivered in PUK and KDP controlled areas, and whether distribution of assistance is equitable across both areas.

- We asked about the key challenges associated to working with local authorities and whether OFF serves to legitimise the de-facto government. We enquired about the level of control that PUK and KDP officials have over the implementation of OFF and delivery of assistance "outside" of OFF.

Security and Access:

- UNGCI: we asked about its key strengths, weaknesses and operational limitations and how its services were used throughout the aid community (including UN agencies, International and Local NGOs).
- We enquired whether there have been any notable changes in terms of access to all three governorates over the past twelve months, and whether there have been any changes in terms of international access to NI, either through Turkey or through Syria, or whether there has been any progress on the establishment of an air link between Germany and Iran.
- We asked whether there have been any changes in the security situation within NI over the past twelve months.

Contingency planning:

- We queried whether contingency planning is a component of UN agency and NGO programming efforts in NI. We sought to understand whether there is a consolidated planning process underway to ensure agency specific efforts complement each other. We asked what specific types of plans have been developed and whether these focus on agency specific security / evacuation plans; whether there is a longer term regional focus (including pre-positioning of stockpiles) or whether contingency planning focuses more upon capacity building projects with local counterparts, including the development of conflict preparedness plans.
- We sought to gain more information about the Emergency Preparedness and Response Committees (EPRCs).

Donor involvement:

- We enquired about other donor strategies for Iraq including level of funding, partner organisations, timeframes, geographical and sectoral coverage and questioned where DFID could potentially add optimum value to existing donor efforts.

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Map of Iraq

Map No. 1985-106-2 LITHOLOGY
August 1986Department of Plastic Inflammation
Lund University, Sweden

Chronology of Events

1980-88 Iran-Iraq war.

02-8-1990 Iraq invades Kuwait.

06-8-1990 **SCR 661** - imposition of economic and trade embargo (with clause to allow in medicines and foodstuffs); establishment of Sanctions Committee.

29-11-1990 **SCR 678** - grants authority to UN members states 'to use all necessary means' to force Iraqi withdrawal from Kuwait if not done so by Jan 15th 1991.

16-01-1991 First allied air strikes.

28-02-1991 End of Gulf War.

06-04-1991 **SCR 688** - allows for creation of 'safe haven' (not accepted by Iraq).

07-06-1991 'Safe haven' passed from Western allies to UN for administration.

Aug 1991 **SCR 706** - elaboration of oil for food resolution (rejected by GOI).

19-09-1991 **SCR 712** - another oil for food proposal (rejected by GOI).

Oct 1991 Iraq withdraws troops and public service officials from North, followed by internal economic blockade stopping food and fuel.

14-04-1995 **SCR 986** 'oil for food' resolution.

20-5-1996 SCR 986 - MOU - Iraq and UN agree to implementation of SCR 986 (distribution details still to be finalized).

Dec 1996 **SCR 986** 'oil for food' implementation begins.

Apr 1997 First deliveries of 'oil for food' commodities.

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Annex GSummary of DFID Funded ProjectsChristian Aid:

- Time Frame: November 2000-October 2002
- Amount: £1,200,000
- Objectives: This project seeks to support the development of sustainable livelihoods in rural and urban areas through improved access and better management of local resources, with a particular emphasis on the development of integrated water management programmes. Measurable indicators include the expansion of the economic base of project beneficiaries, the development of institutional frameworks for public sector consultation and public policy formulation, and increased awareness of the environmental impact of natural resource management.

HelpAge:

- Time Frame: May 2000-July 2003
- Amount: £951,457
- Objectives: The goal of this programme is to improve the quality of life of older people through capacity building and advocacy work, participatory research and targeted support. Measurable indicators include improved healthcare for older people; wider inclusion of older people in the economic life of their communities; enhanced ability of de-facto government departments to cater for their special needs, and improved livelihood security for individuals particularly at risk.

4Rs:

- Time Frame: January – December 2001 (the project is on-going and in its final implementation stages)
- Amount: £241,797
- Objectives: This project aims to improve the quality of life of vulnerable women through support to income generating activities and non-formal education, leading to increased financial independence.

ACORN:

- Time Frame: April 2000-July 2002
- Amount: £1,488,823
- Objectives: This project supports the provision of rehabilitation services for disabled children and physiotherapy education. The purpose of the programme is to enhance delivery of services for disabled children, leading to the establishment of sustainable and accessible services across NI.

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Save the Children:

- Time Frame: February 2000-January 2003
- Amount: £2,680,000
- Objectives: The project is designed to improve social service planning; improve access to quality services for children (by developing the capacity of local NGOs and national authorities to address these issues), and help to build emergency response capacity with relevant partners.

Mines Advisory Group:

- Information about MAG was not made available to the review team at the time of the desktop review. The information provided below is therefore very general and will be supplemented by a review of the project files in due course.
- Time Frame: Support to MAG has been on-going for at least four years under CHAD's leadership.
- Amount: Several £ million.
- Objective: The objective of the current programme is to enable rural communities and other civilians to live safely in areas affected by landmines. Programmes activities include both mine clearance and mine awareness activities in PUK and KDP controlled areas.

UNGCI:

- Time Frame: July 2002-June 2003
- Amount: £250,000
- Objectives: UNGCI's work focuses on the provision of a security umbrella and medical support for all UN agency staff implementing OFF in NI.

ICRC:

- Time Frame: March-December 2002
- Amount: £2,000,000 against the annual Iraq appeal
- Objectives: ICRC works through 3 established offices in NI, focusing primarily on support to Internally Displaced Persons (IDPS), rural health, rural water and sanitation, and improvement in the delivery of primary health care services. ICRC's appeal for the whole of Iraq focuses on core activities as established in its forward strategy for 2000-2010. These include protection work, assistance to the sick and the wounded, water and sanitation, prevention work (through the dissemination of International Humanitarian Law) and co-operation with the IRCS.