

Infrastructure in Post Conflict Countries Iraq Case Study



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Jiff, Jaffa, Iraq – After the feast, the tribal leaders of Jiff Jaffa laid out their problem. They had five water pumps issued by the Iraqi government, but none were working. Municipal officials either said they were afraid to visit this dangerous region or demanded that the leaders pay large sums to use certain contractors. Now the sheiks were asking for help from the United States.

It was a familiar request for the group of U.S. soldiers and aid officials seated in a large trailer on a farm in this rural stretch of southern Iraq. “So the real reason they are not helping you is they want a bribe?” asked Lewis Tatem, the tall, deep-voiced deputy leader of the Embedded Provincial Reconstruction Team in charge of this area.

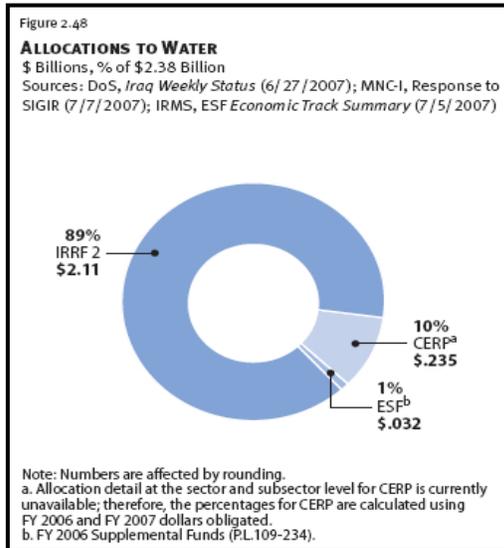
“Yes, a bribe,” replied Hamid Mazza al-Masodi.

The United States turned over sovereignty to an Iraqi government in June 2004 after a 14-month occupation. But for many Iraqi’s, the United States remains the only source of basic services, protection and infrastructure – functions the new government was supposed to perform. The result is a dilemma for U.S. officials and particularly the reconstruction teams that are the cornerstone of the rebuilding effort. When Americans step in to provide services that the government does not, they foster dependence and undermine the institutions they want to strengthen.

“It’s always a dilemma. Should we do it? We are the government for them,” says Tatem, of Reston, Va. “But what happens after we leave? Does it fall apart for them? And will this allow the insurgents to gain control by giving them what they need?”

Background

A priority in the rebuilding effort has to increase the Iraqi government's capacity to provide essential services. These activities will not only provide legitimacy to the new Iraqi regime but also provide sound infrastructure for the future economic growth of the country.



Currently, the United States has spent \$2.4 Billion rebuilding the water and sanitation infrastructure in Iraq. Principally these funds have been spent from the Iraqi Reconstruction and Relief Fund (\$2.2 Billion), but increasingly Commander Emergency Response (CERP) Funds are used (\$235 Million) for smaller projects. \$32 million in Economic Support Funds (ESF) have also been made available for 23 Operation and Maintenance (O&M) "sustainment" projects aimed to strengthen Iraq's ability to maintain facilities and equipment but to date none of them have been completed, nearly 22% are ongoing and more than 78% have yet to start.

As the Iraqi Reconstruction and Relief Fund's major infrastructure projects are nearing completion, the focus has turned to building capacity to maintain completed projects. ESF funds are being spent at both the national and PRT levels to address this objective. However, the inability of Iraq's water institutions to sustain projects continues to limit progress in the sector.

Sabotaged Water Main in Bagdad



The security situation is the number one challenge faced by water sector institutions in executing their work. Deteriorating conditions affect the ability of both the Ministry of Water Resources and the Ministry of Municipalities and Public Works to operate and has reached a crisis stage. Employees have vacated Baghdad buildings in dangerous locations, and the Ministry of Municipalities and Public Works officials estimate

that less than half the remaining staff are showing up regularly to work.

The Government of Iraq has not allocated sufficient money for operations and maintenance and continues to focus on building facilities rather than maintaining them. For example, O&M was budgeted at 9% of the total funds that the Iraqi Transition Assistance Office (ITAO) recommended to the Ministries of Municipalities and Public Works in 2005 and 2006. Meanwhile, the Ministry of Water Resources has adequate capacity to execute capital projects.

Other factors hindering progress in the water sector include the lack of commercial systems to collect fees for service, and lack of a strong customer focus. The Office of the Special Inspector General for Iraq Reconstruction has recommended that performance could be improved by providing more funding for building ministerial capacity, improved worker compensation systems, increased transparency and accountability of service delivery agencies, service quality improvement, and improved O&M of existing facilities.

Case Study Assignment

Your team was sent to Iraq to advise the Senior Management in USAID Iraq and associated Provincial Reconstruction Teams on how to deal with the O&M and sustainability problems. You have held a series of meetings with concerned USG and GOI personnel, and now have to formulate a set of recommendations to USAID and PRT senior personnel. Today is the meeting to provide your preliminary ideas and suggestions to address the problems. Here is what the Mission Director asked you to cover in tomorrow morning's Exit Briefing:

1. PRTs often are placed in the position of assuming responsibilities that should be carried out by a domestic municipality. How should the PRTs and USAID staff respond to the constant requests for USG resources to perform routine O&M for infrastructure facilities? Would you recommend that they continue to provide direct assistance as needed? Or is another strategy more appropriate?
2. The Mission anticipates an FY 08 allocation of \$100 million for new activities directed at "sustainment" of infrastructure. Outline the new activities that you would recommend the Mission consider to deal with the growing O&M problems.