CPA SOUTH: ACHIEVEMENTS AND PROGRESS

CPA SOUTH comprises the four southernmost provinces (or governorates) of Iraq: Al Basrah, Al Muthanna, Maysan and Thi Qar. CPA South’s area of operations is the same as that of Multinational Division (South East), approximately 440 km wide by 418 km from North to South, covering some 150,000 square kilometres, about a quarter of Iraq’s area. The area includes around 1,000 kilometres of international borders with Iran, Kuwait and Saudi Arabia.

The particular features of the area include Iraq’s 58km of coastline (with the Shatt Al Arab waterway), the ports of Umm Qasr and Az Zubayr, the Marsh Arab area east of Nasiriyah and large areas of desert covering much of Al Muthanna. International routes of entry into the area are by road from Kuwait, by air into Basrah International Airport and by sea into Umm Qasr. Roads of varying quality connect the southern provinces to the rest of the country; a railway links Umm Qasr to Basra and the north.

Ninety percent of the population of the area is believed to be Shia Arab. There is a mixed Sunni Arab and Shia Arab population in Al Muthanna, and small communities of Christians in Basra, and Mandaeans in Basra, Nasiriyah and Al Amarah.

DEVELOPMENT AND RECONSTRUCTION BACKGROUND

In almost every sector of Iraq society and its economy, the situation faced by Coalition partners, development agencies and the Iraqi people, is a similar one. It is characterised by:

- A centralised leadership and management hierarchy with an emphasis on vertical control, the active stifling of initiative, and rigid adherence to bureaucratic procedures throughout society.

- A concentration of power in the hands of individuals. At the centre, power was kept in the hands of Saddam Hussein, his family and tribal members, and in trusted (usually mistrusted as well) individuals. In the provinces, power was concentrated in the person of the governor, reporting directly to the centre, and responsible for every aspect of state intervention in the province. State operations at the provincial level and below were characterised by patronage and nepotism, and the exploitation of religious, ethnic and tribal rivalries by the centre.

- The state as the economy. With the state effectively controlling an estimated 98% of the economy, reliance by citizens on state patronage was near-total. The state dictated what profession could be followed and what job could be obtained, although it was a system open to corruption and bribery. With pitifully low salaries ($1 a month for doctors), the state could sustain huge levels of overstaffing and operational inefficiency, while forcing citizens to look to the state for regular handouts of ‘gifts’ or access to the food ration. Membership of the Ba’ath party was required in order to advance one’s career, giving another level of oversight, with back-sliding discouraged through of the state security structures. Notwithstanding its multi-stranded security apparatus, the state actively
connived at smuggling – especially of oil after the imposition of sanctions – provided it received its share of the proceeds, thereby increasing the wealth and influence of the criminal gangs who remain in evidence, and resent Coalition Forces and Iraqi Police attempts to curb their activities.

- Lack of investment and active disinvestment. The South in particular suffered under the previous regime from lack of investment, and a failure to reinvest even in basic infrastructure, after the Iran-Iraq and Gulf Wars. Southern resources, such as power generation and oil, were either leached to the centre or their benefits given to regime supporters. Major reconstruction projects, such as the building of canals to drain the marshes, were designed as much to punish recalcitrant rural populations as to benefit farmers, failed to provide the benefits they were designed to achieve, and have proved an environmental disaster, especially in relation to the water supply.

- ‘Make do and mend’. In the absence of state investment, engineers and managers had to sustain Iraq’s creaking infrastructure using ingenuity and few resources. In the absence of spare parts, cannibalisation and improvisation was the order of the day. At every level and in all sectors, maintenance programmes were set aside in favour of continued operation to meet demands from the centre, reinforced by the threat of violence.

From April to September 2003, military and civilian personnel were heavily engaged in all essential services, working alongside Iraqi engineers and technicians, simply to maintain the delivery of services, a situation made worse by widespread looting, theft and damage in the aftermath of the conflict. Parallel activity took place throughout the public sector: repairing buildings, replacing supplies, investing in new equipment, organising deliveries of materials and foodstuffs.

By late 2003, this work extended to build redundancy into essential services, such as providing back-up generators for oil refineries and hospitals, while continuing to repair existing infrastructure, and expanding the capacity of that infrastructure through new investment.

CPA South, using UK funds channelled through DFID, repaired and outfitted buildings to enable local government and province-level directorates of central ministries to operate once more. In the south, these included the Governors’ offices for Basrah and Nasiriyah, offices for the directorates of Education in Basrah and Al Amarah, and for the Basrah Nationality and Irrigation directorates; as well as offices for Basrah province’s Social Welfare Department, Grain Board, Electricity Generation and Public Distribution Service.

The first quarter of 2004 has seen a continuation of that work, as well as strategic planning for future developments to be decided upon, and undertaken, by the Iraqi authorities. A focus on training and support for Iraqi professionals has also been evident, with different teams within CPA South providing or facilitating training for civil society groups and health professionals, and restoring international and training links for academics, public sector managers and the judiciary.

In addition, long-withheld servicing and maintenance programmes have begun: while these interrupt the supply of services such as electricity and water, they are planned to improve the robustness and quality of service delivery through the rest of 2004 and into 2005.

Sixty weeks since the end of the conflict has been a remarkably short time in which to begin to re-shape not just the country’s economy, but the mind-set of its people. The prospect of change is now accepted by most Iraqis, even if the process of change may be too slow for many, especially for those still awaiting the consolidation of essential services and opportunities for employment.
CIVIL ADMINISTRATION

In each province of the south, councils have been established or re-established at the provincial, municipality and local level. Since April 2003, many of these have been ‘refreshed’ by direct elections; others have done so following discussion among different local communities and involving, but not led by, CPA staff. The process is not uniform: other councils are currently undergoing self-reorganisation as a result of the Local Government Law introduced earlier this year.

CPA South Governorate Co-ordinators and advisers in all four provinces have worked closely with local leaders to develop skills, encouraging a robust dialogue that leads to consensus or democratic decision-taking. The USAID-funded agency RTI has worked to develop skills among diverse civil society groups, using training programmes and workshops.

To varying degrees, council leaders and officials in the south have begun to take the lead in identifying their people’s needs and seeking solutions. Basrah Provincial Council in particular has been at the forefront of moves to attract inward investment to the region, with visits to the UK, Kuwait, Iran and Turkey. Again, the leadership capabilities of the various councils are not uniform.

For CPA South’s Economic Planning and Development staff, a particular focus over the past year has been liaison between central ministries in Baghdad and their provincial counterparts, especially to ensure that payments of salaries, pensions and budgets are released from the Ministry of Finance to the provincial Treasury directorate and made available to the provincial departments and state-owned enterprises. This is not an insignificant task: the salaries operation in the four southern provinces involves over 225,000 state employees.

CPA South finance staff have also been directly engaged in reconstruction: prior to the start of the three-month nationwide currency exchange last October, 38 banks were refurbished throughout the four provinces, including the Basra Branch of the Central Bank of Iraq. A further project, to permit the resumption of cheque clearing, a vital part of re-establishing Iraq’s banking system, is continuing.

Since January, all but 16 directorates in the south have moved from being funded via the provincial Treasury directorate to direct funding from Baghdad-based ministries. The process has been largely successful, but the delivery of operating budgets in particular remains problematic for some sectors.

The lack of a single model covering the operating relationship between the centre and the periphery, lack of transparency and accountability within ministries, made worse by invisible bureaucratic procedures, all continue to cause delays in payments, operational confusion, and failures in the delivery of services to citizens. DFID’s Interim Country Assistance Plan for Iraq, with its plans to work with the Ministries of Finance, Planning and Development Co-operation, and Municipalities and Public Works, to build Iraq’s public administration capacity and develop management and planning skills, will be of particular importance in improving performance.

CIVIL SOCIETY

In the aftermath of the conflict, political debate and civil society development has been characterised by a multitude of communities seeking to have their voices heard – many for the first time.

CPA South’s political department supported students at Basrah University to hold a series of well-attended debates on subjects such as federalism and elections; funded a two-day conference for 200 women from southern Iraq in January; supported the production of ‘Women’s Echo’, a national newsletter on women’s issues produced by Iraqi women; and organised conferences for a variety of civil society organisations and groupings to help them learn how to contribute to the democratic process and work in such areas as human rights.
Up to 150 political parties have emerged since the collapse of the former regime, covering a variety of political and religious opinions. Some political groups have begun to show increasing maturity, organising lawful and peaceful demonstrations, building cross-party relationships, and evacuating public buildings to allow their return to public use. With the approach of the transition process, several parties have approached CPA South for assistance in learning how to operate as a political party in a pluralistic, democratic environment. Unsurprisingly, in a country where political argument has been suppressed for three decades, progress is not uniform.

In a process led by the provincial councils, CPA South helped organise ‘town hall’ meetings to discuss the return to sovereignty in July 2004, the democratic process and the role of Iraqis in determining their future. The first such meeting was successfully held in Basra in late December, attended by almost 200 people and televised nationally.

**LAW AND ORDER**

**Police**

CPA South has had civil police advisers based in Basra since July 2003. These officers, initially British but later supplemented by Danish civilian police, act as advisers to the Coalition Forces, local elected representatives and as trainers and mentors for the Iraqi Police Service.

In October, the first wing of the Regional Police Training Academy opened at Az Zubayr, with Danish police trainers delivering and evaluating advanced courses to 180 Iraqi police students (ranking captains and lieutenants) on Basic Management, Training Trainers, and Basic Investigation. A quarter of the first officer graduates were selected to train as trainers for future students. Between now and 2005, it is intended that every police officer will undertake a Transition and Integration Programme (TIP), designed by Ministry of Interior advisers in Baghdad.

The Danish team began delivering more advanced courses in January 2004, shortly after the formal opening of the US$1.2 million Regional Police Training Academy, now officially recognised as a regional training resource by the Ministry of the Interior. UK and Danish civilian police officers, together with Czech and British military police and Italian Carabinieri have contributed to the training process.

CPA South outfitted the Iraqi Police Service with police shirts, winter uniforms, police vehicles, weapons and communications equipment. Telephones are being installed in all police stations for the first time. CPA South equipped the newly-formed Highway Patrol, which operates from three stations in Basrah, Thi Qar and Al Muthanna provinces. In Thi Qar, police vehicles were supplied by the Italian military forces.

CPA South has funded the re-establishment of emergency telephone systems, connecting the public to the police, fire and ambulance services, and funded communications hubs to enable rapid responses by the emergency services. DFID funding supported the rebuilding of fire stations in the towns of Qurnah, Al Faw, Az Zubayr and Abu Ghasib, while CPA South and the Coalition Forces supported the reconstruction of fire stations in Basra city, all of which have received new Mercedes fire engines, funded by the Oil For Food Programme.

**Justice**

In the south, all courts have been operational since June 2003. Some courthouses currently operate out of temporary buildings while the principal courthouses are being repaired, upgraded and secured. Judicial security has been prioritised, with a national programme providing 24-hour protection to all judges and prosecutors using specially trained personnel.
A legal aid system was established by CPA South in all four governorates in July 2003, ensuring legal representation for all indigent criminal defendants from the time of their first appearance before an investigating magistrate. Lawyers across the region have actively participated in this scheme, which has served as a testing ground for the implementation of a national legal aid system.

CPA South funded a new prison in Basra, Al-Mina, opened earlier this year, reducing pressure on the overcrowded Ma’qil prison and opening the way for a major reconstruction programme there. New prisons for Al Amarah and Nasiriyah will open in June 2004, relieving overcrowding, improving conditions for prisoners, and creating several hundred jobs.

Border and Customs Police and the Iraqi Civil Defence Corps

Iraq’s extensive land borders are highly porous, and equally susceptible to human and cargo movements. 800 border guards have now begun work, and an official border post is now operating in Maysan province. Iraqi border guards now jointly staff the principal civilian border crossing into Kuwait at Safwan with 150 members of the Iraqi Civil Defence Corps (ICDC).

In November, Customs Officers took up their duties at Iraq’s principal port of entry, Umm Qasr, processing inbound and outbound cargo and passengers, and undertaking anti-smuggling measures. British Coalition Forces and CPA South advisers have subsequently reinforced security and provided additional training in all the southern ports to improve the efficiency and effectiveness of port officials, and to ensure the application of the new 5% Reconstruction Levy on certain imports.

Applications for the ICDC have exceeded targets for recruitment in almost every instance. The same is true for the other uniformed Iraqi security services, in spite of attacks by terrorists on individual officers and premises. In Basra, ICDC training is provided by members of the British Coalition Forces. For the last seven months, joint patrols have been taking place in Al Muthanna with ICDC and military personnel from the Netherlands Battlegroup, and in Basrah with ICDC and British military personnel.

ESSENTIAL SERVICES

Water

Many communities in southern Iraq have never had access to a piped water supply. Instead, those in rural areas in particular have relied on often-contaminated river water, on illegal tapping into water pipelines bypassing their own community to serve another, or on tankered services to village distribution points.

In most towns and cities, water comes in two forms: non-potable water for washing and sanitation, supplied free of charge; and drinking water, usually purified using a Reverse Osmosis (RO) process, and purchased from local distribution points.

80% of Basrah has access to non-potable water, but water pressure is variable, delivery patchy and water quality often poor. Work to refurbish the city’s 14 water treatment plans began in January, led by US contractor Bechtel, in collaboration with CPA South water advisers and Basrah Water Directorate. This work has been subject to delays as a result of the security situation and threats against contractors, and is not expected to be completed before August.

In Basra, the Hayy Al-Hussain water treatment station reopened after substantial repairs. In November, eight Reverse Osmosis (RO) units, donated by the people of Kuwait, arrived for installation in Basra, Nasiriyah and Samawah, with the first stations opened earlier this year. The programme, which also involves creating 63 distribution points, will be completed this month; at full capacity, they will supply drinking water sufficient for up to 1.2 million people. Outside the city, Royal Engineers constructed a water pipeline from Kuwait to Umm Qasr, able to deliver up to 2 million litres of drinking water daily.
However, an estimated 92% of non-potable water delivered into Basrah city is lost through leakage from long-damaged burst pipes. In addition, canals used to carry waste water and untreated sewage, lacking any maintenance regime, have become clogged and static, posing serious health hazards and threatening to contaminate non-potable water supplies carried in the leaking pipe network.

In January 2004, three heavy-duty vacuum trucks were presented to Basrah Water and Sewerage Department to help clear blocked pipes, aid water flows and reduce surface water levels. Three JCB excavators have been delivered to clear canals and drainage ditches, funded by CPA South’s Emergency Infrastructure Programme, a partnership between the Development Fund for Iraq and DFID.

It would be wrong, however, to claim that the provision of water in the south, particularly in Basra, remains anything other than acutely problematic. Water shortages have occurred regularly in the past, caused in part by inherent construction flaws in the Sweetwater Canal, the main contributor of potable water to the city, as well as lack of maintenance. As a result of the latter, many of the filtration cells used to clean water coming into the Canal had become clogged. By April 2004, under a contract with Bechtel, these had been cleaned in an operation that removed more than 100,000 cubic metres of silt.

But the principal problem remains: breaches in the Canal lead to a loss of water pressure, blockages in pipes, and potential faecal contamination through fractured pipes. The Water Directorate has no contingency planning budget to deal with emergency provision, nor any organised means of providing public information in the event of a breakdown of supply. To develop skills and understanding among provincial water officials, CPA South recently funded a visit to Northern Ireland for directors from different departments.

For Iraqi citizens, RO water can be costly, especially if the water has to be used for washing and sanitation in the absence of an alternate supply: a litre of water costs more than a litre of petrol. Nor is the water quality guaranteed: in the absence of any regulatory agency, untreated water is often sold as RO quality. In Basra, reported cases of diarrhoea run at 1,000 a week; many more go unreported. CPA South is helping public health staff to undertake water quality control by supplying laboratory reagents.

When the Sweetwater Canal fails, the alternative source of water is the heavily polluted Shatt Al-Arab. An emergency project is under way to repair pumps that draw water from the Shatt, and to install dosing pumps to add chlorine to decontaminate the water. Even so, the populations of Safwan, Khor Az Zubayr and Shaibah, whose water is also sourced from the Sweetwater Canal, will require water to be tankered in.

Outlying areas in general have irregular and unsocial hours of supply; during the day, demand from the city centre draws what water there is; only in the evenings does water pressure improve in surrounding areas. To build capacity in other provinces, compact water treatment units have been purchased for Al Muthanna, Thi Qar and Maysan provinces.

Alongside emergency programmes, progress continues: CPA South is funding 48 km of new water pipes being laid in twelve areas of Basra city that currently have poor or no water supply. A similar scheme is under way in Nasiriyah. Leaking pipes continue to be identified and repaired, gradually reducing the loss of water from the system, reducing areas of standing water and lowering the water table. A US-funded project to create a new network of water supply pipes around the city will, by the end of 2005, hugely improve the supply of water to the city.

**Sewerage**

Basra’s sewerage network was originally installed in the 1930s, extended in the 1950s and 1970s, but today still only meets the needs of around one-third of Basra city’s population, and a quarter of the city’s sewage collection needs. Blocked pipes and canals, and never-completed treatment works, reduce the effectiveness of the systems that do exist. The trucks and JCBs delivered in early 2004 are
improving the canal system, and a further $350,000 contract to clear more canals has just been let (May 2004). The Basra Sewage Treatment Plant, built in 1990, operates at 10% of capacity: the plant was never completed and that which was built has never been maintained, leading to untreated effluent being pumped into the desert to the south of the city. A long-term programme of repairs and refurbishment, funded by the Program Management Office, is planned to restore the Plant to full working efficiency, while a $15 million refurbishment of pumping stations and the pipe network is awaiting commencement.

Basra’s original inland waterways are now used as substitute sewage canals, but the sluice gates used to provide a flushing mechanism are inoperable, no dredging has taken place since 1989, and the already high water table leads to large areas of standing, stagnant water and localised flooding. CPA South staff have identified $5 million worth of clearance projects to clear an estimated 300,000 cubic metres of slit from the canals, and repair sluice gates and pumping stations, while British Coalition Forces are supporting the clearance of around seventy culverts.

The nature of sewage is such that it places heavier demands on equipment, and requires the supply and availability of spare parts to a degree that has never been possible in Iraq. Part of CPA South’s work with Water and Sewerage authorities has been to identify critical areas of plant supply, to make purchases where necessary, and to plan for future investment and staff training.

Surveys have also been carried out of sewerage facilities in all four southern provinces, and project proposals offered to the CPA’s Program Management Office (which administers the US Congress’s funding of $18.6bn agreed after the Madrid donors’ conference).

Electricity

For most of the past six months, the south as a whole has been able to export electricity to the rest of Iraq, although the network of high-voltage lines linking the south to the national grid remains incomplete, the result of sabotage or criminal activity. Weekly production has been averaging 700MW across the south: in the early months of 2004, Basra was being supplied with 23-24 hours of electricity every day.

With the onset of summer, purchases over the past year of large numbers of electrical goods – especially of air conditioning units and refrigerators – has placed an unexpectedly high demand on the electrical system. This, coinciding with planned maintenance for Nasiriyah power station – the most powerful in the south – and necessary repairs to three out of the four power stations serving Basra city – has led to regular power cuts. The situation has been exacerbated by a requirement for power to be sent from the south to Baghdad to resolve its more acute power needs, a politically sensitive demand given the history of power being taken from the south to serve the north, even if most citizens accept the principle of equity in power supply.

Once repair programmes for Basra city’s power stations have been completed, the robustness of power generation to the south should be improved. However, in the absence of any valid comparative figures, it is impossible to estimate power demand through the summer with any real accuracy, and therefore to plan for.

The other southern provinces remain under-supplied with power to meet their needs. Here, and outside Basra city, CPA South staff have successfully argued for the delivery of a 40MW point generation scheme for Samawah, while elsewhere, six point power generation stations have been installed at specific locations to meet local power needs. Three substations currently being built, to be completed during the summer, will supplement the distribution network.

Continuing reconstruction of the distribution system will also help stabilise supply: Using military and civilian personnel, around 500 pylons on the 400kV and 132kV transmission lines have been re-
erected and 3000km of overhead conductor cables replaced. To reduce losses through sabotage and criminal acts, a security force of several hundred men has been formed, trained, equipped and armed to secure power installations.

To replace equipment never supplied or lost through looting, CPA South’s plant purchases for the three provincial electricity companies have included 4x4 vehicles, heavy plant for line replacement, air conditioning units for communications, cooling pumps and blowers, RO units, transformers and switchgear.

CPA South has also undertaken strategic assessments of power generation needs for southern Iraq, as part of planning for the re-establishment of Iraq’s industrial sector.

Oil

Iraq’s economy is dominated by the oil sector, which traditionally provides about 95% of foreign exchange earnings. 304 out of 1380 oil wells in the south are currently in operation, producing a daily output of 1,835,000 barrels of oil as of 21 May 2004 (97% of target).

Basrah Offshore Oil Terminal, formerly the Mina Al-Bakr Terminal, has been at near-maximum capacity since December, generating. Earlier this year, through the efforts of the South Oil Company, the Khor Al-Omayeh Offshore Oil Terminal came on-stream for the first time since the Iran-Iraq War. Recent attacks on pipelines supplying these terminals, and on the terminals themselves, suggest how valuable these facilities are to Iraq’s reconstruction effort.

Coalition Forces in the south, assisted by the Iraqi Riverine Police Service and the newly-established Iraqi Coastal Defence Force, are regularly engaged in anti-smuggling initiatives. Several ships accused of involvement in oil smuggling have been seized and await judicial action, following a successful and sustained joint UK-US operation. Oil barges, road tankers and other equipment have been seized and confiscated, and the legal process for their disposal is under way.

CPA South staff are also involved in assessing the environmental impact of oil exploration and exploitation, in the form of a project to determine ways to decontaminate land affected by seepage from the oil refinery, to prevent air pollution, and stabilise the geology of the area.

Fuel

As of 21 May 2004, Basrah Oil Refinery was producing on a daily basis:

- 2.25 million litres of benzene/petrol (102% of target)
- 1.47 million litres of kerosene (123% of target)
- 4.05 million litres of gasoil/diesel (107% of target)

In the city of Basra, filling stations are open, and fuel is delivered each day from the Basrah Refinery. A new filling station just outside Basra city opened in January 2004, and a new diesel distribution centre opened within the city shortly afterwards.

There is no shortage of petrol and diesel production throughout the south, but a choke-point is the distribution process, involving tankers delivering diesel and petrol from the refinery or distribution centre to retail outlets. This is less of an issue for Basrah, which is closer to the source of supply, than for the other three provinces.

Queues for filling stations are, however, in evidence, in part caused by the rapid growth in the numbers of cars on the city’s streets. CPA estimates that at least 250,000 new cars have been imported into Iraq since the end of the conflict. The number of cars, taxis and buses on the streets – itself
evidence of a growing economy – also places a strain on a finite number of filling stations, many of which have not been upgraded for many years. A programme to replace all the petrol pumps in the city’s filling stations is now under way.

PUBLIC WORKS, HOUSING AND EMPLOYMENT

Public Works

Since January 2004, Iraqi contracts using funds from CPA South and military sources have removed approximately 175,000 tonnes of waste from Basra city streets – a year’s waste for a city of this size. Some 15,000 tonnes of waste were removed from the smaller town of Az Zubayr, a few miles outside Basra. $400,000 worth of equipment has been procured by CPA South for a vehicle service centre, to ensure Basra’s waste collection services can continue, sited in workshops constructed by RTI and providing local employment. Around forty further plant items are being purchased for use across the southern provinces.

In Thi Qar province, CPA have funded the removal of over 50,000 tonnes of waste from the streets of Nasiriyah to a landfill site built by South Korean army engineers, who are also concurrently constructing transfer stations and a new landfill site for the city. In Al Amarah, a project is planned to upgrade an existing landfill site and provide waste transfer stations.

Previous waste clearance programmes have proved highly successful at generating short-term employment and clearing large amounts of waste and rubble from city streets. 22,500 labourers were employed under a scheme in late 2003, in which 9,600 square kilometres of land were cleared. Nevertheless, CPA South advisers continue to seek ways to establish maintained programmes of street clearance and waste management, in partnership with local civic authorities.

Housing

In the aftermath of three conflicts, and with the return of refugees from many countries, housing is a particular priority for Basra, and increasingly a priority for other towns and cities in the south. CPA South advisers are assisting with the launch of small pilot housing project in Basra, a standard 1-storey dwelling whose plans were drawn up by CPA in Baghdad. The pilot will comprise 20 homes, funded by the CPA-provided Local Government Fund, and managed by engineers in the Provincial Governor’s office.

In Nasiriyah, Al Amarah and Samawah, pilot projects are also being initiated for a series of 500-unit developments, managed by the Ministry of Housing and Construction.

Employment

CPA South staff assisted with the opening of the Basrah Employment Centre in March. Since its opening, more than 3,500 unemployed men and women have registered on a central database. CPA South contractors are encouraged to use the Centre as a source of labour, and CPA South staff are assisting the Centre in making contact with international companies interested in establishing a presence in the region.

CPA South assistance has also helped transform part of the Employment Centre into a Vocational Training base, offering courses in English language skills; computer skills and improving literacy as an aid to improving employment prospects.
TRADE AND INDUSTRY

State-Owned Enterprises

Southern Iraq is home to some of Iraq’s largest state-owned industries, including the production of cement, paper, iron and steel, fertiliser, petrochemicals and asphalt. Many have not functioned for some years, others are only partially operating. CPA South Trade and Industry staff have been particularly active in assessing Iraq’s industrial base, determining need, and obtaining funds to enable them to re-start business, providing employment for thousands of workers who are currently paid, but do not work.

The State Company for Fertiliser at Khor Az Zubayr is now operational and producing around 1,100 tonnes of urea fertiliser a day, enough to meet Iraq’s domestic needs. A $16 million capital investment grant, supported by CPA South, will enable production capacity to double, enabling the factory to meet export demand, safeguard almost 2,500 jobs.

The State Company for Petrochemical Products has started producing chlorine, and is now able to supply most of the chlorine needed to provide safe drinking water in southern Iraq, while the State Company for Engineering Ur is now supplying the local private sector with electrical cables.

CPA South-funded reconstruction of the Ibn Majid Engineering Company factory is currently under way, allowing up to 1,000 workers to return to work on reconstruction projects, while the State Company for Cement at Umm Qasr has received the first delivery of spare parts purchased by CPA South which will enable the company to restart a second line of production and increase annual output by 250,000 tonnes to meet Iraq’s urgent reconstruction needs.

Private Sector

In late 2003, CPA Basrah Governorate Team members and advisers launched a partnership programme to revitalise the 2000-strong Basrah International Chamber of Commerce, and establish chambers of commerce in each of the four southern provinces. The Chambers will help members and non-members alike, including young people and unemployed men and women willing to establish their own businesses. CPA South has helped to establish the Basra Business Centre as a hub to promote private sector activity, and organised a highly successful presence at ‘Rebuild Iraq 2004’ in Kuwait.

CPA South advisers are currently working with Iraqi partners to establish a series of four sector-specific industry seminars in Basra to facilitate co-operation between international and Iraqi businesses. CPA South has also helped refurbish the Free Zone in Khor Az Zubayr: 38 businesses have so far been awarded contracts to operate from the Free Zone and permission is now being sought to expand the zone from 1 square km to 16 square km.

CPA South has facilitated a grant of $10 million from CPA Baghdad for a micro-credit scheme for small and medium enterprise development in the South. So far, after two months operating a pilot scheme in Basra, 175 loans worth almost $500,000 have been approved, with a 100% repayment record to date.

In Basra city centre, a project to refurbish and improve the regulation of the main commercial market area is about to be awarded. This will not only improve the functionality of commercial spaces in Basra and boost commerce; it will also contribute to improvements in traffic flows and streetscape.

Further contributions to the improved appearance of Basra city will come from CPA South contracts being let to clean four of Basra’s main canals – key parts of its urban heritage – and an ongoing CPA South programme of tree replanting to replace thousands of trees lost over the past twenty years.
Ports

Umm Qasr, Iraq’s principal port of entry, opened to commercial freight shipping in June 2003. Following restoration work by Bechtel, including dredging, wreck removal, and the repair of the grain elevator, the first bulk-grain carrier docked in October, unloading 54,000 tonnes of Australian wheat. The restored grain facility was handed over to the Basrah Grain Board in November, and further reconstruction work has continued to improve facilities there.

Many large-scale works at Umm Qasr have now been completed: including a UNDP-funded programme to clear 19 wrecks, a PMO-funded dredging contract to dredge all 21 berths to a depth of 12.5 metres, and rebuilding by Bechtel of the administration, passenger terminal and customs hall buildings.

Both the North and South ports at Umm Qasr are now connected to the national grid, with generator power held in reserve, enabling 24-hour operation as needed.

At Khor Az Zubayr, m/v Maersk Alaska and m/v Maersk Arizona, the largest non-tanker ships ever to call at Iraqi ports, are now regular visitors. There has been a 120% increase in container imports since October, more than 250 ocean-going ships have been received at Umm Qasr since September, while 260,000 tonnes of goods have been imported by more than 500 locally-owned trading dhows.

The Iraqi Ports Authority security service, which now numbers over 250 men, has taken control of port security at Umm Qasr, while the Iraqi Riverine Police Service, trained by the Royal Navy, is now carrying out patrols 24 hours per day in the ports and approaches. To improve awareness of modern port management systems, CPA South recently organised a visit by Iraqi port directors to the United Kingdom, visiting Sheerness and Liverpool.

FOOD, AGRICULTURE, IRRIGATION

Of Iraq’s total land area of 432,162 sq km, arable land – land used for crops that are replanted after each harvest, like wheat, maize, and rice – accounts for less than 12%, while land under permanent cultivation – used for date palms, citrus or coffee – accounts for less than 1%. In 1986, agriculture contributed about 7.5 percent of Iraq’s total GDP, but employed about 30 percent of Iraq’s total labour force.

According to the FAO, there are more than 600,000 farmers in Iraq, comprising both individual and family farms (mostly in the south) as well as large plantations (mostly in the north). Southern Iraq is responsible for much of Iraq’s agricultural output, especially of dates, tomatoes, sugar and wheat.

Following a CPA South programme to reconstruct and re-equip directorate offices, Iraqi managers and directors have increasingly taken a lead in decision-making, with CPA South continuing to offer professional advice and expertise. CPA South has facilitated regular regional meetings, at which agricultural directors have discovered much common ground, and learned to value decentralisation in promoting efficiency and individual responsibility.

CPA South has assisted the agricultural sector in identifying priorities, and in constructing a 3-5 year development programme for the agriculture, agro-industry and food business sector in the south, linked to the national context. A strategy seminar planned for the summer will refine the programme and identify national and international public and private sector partners.

Specific initiatives supported by CPA South have included:

- Working with the Grain Board to purchase and handle the wheat and barley harvest, both to provide immediate income and to allow farmers to prepare for the next planting season. During the summer of 2003, this injected around $7 million into the rural economy.
• Hiring 50,000 casual labourers across the southern region to clear irrigation and drainage canals, in an $8 million programme to reduce water salinity and increase crop yields.

• Assisting with the purchase of farm input supplies such as seeds, fertiliser and plastic sheeting at subsidised rates to meet post-conflict demand without destabilising private sector sources of supply.

• Developing a $10 million agricultural credit scheme, in the absence of banking credit facilities for farmers, in co-operation with the Ministry of Agriculture and the Agriculture Bank.

• Restoring date palm production in the south through reclamation and rehabilitation of previous date palm production areas, including the Al Faw peninsula, unused since the Iran-Iraq War. Dates are a major export crop for Iraq, and those from the southern provinces are widely regarded as the best in the world. CPA South advisers have initiated date palm nurseries to accelerate planting, and are working on Integrated Pest Management schemes to reduce farmers’ reliance on chemicals.

• Reducing the spread of desertification and wind erosion, protecting crops and developing better microclimates through the introduction of shelterbelts and windbreaks, and conducting soil and water analyses of pollution and salinity.

• Helping to restore the Marshlands. These once covered more than 10,000 square kilometres, supporting diverse Marsh Arab communities and a wide biodiversity of plant and animal life. To repair the damage caused by large-scale drainage under the former regime, and to stabilise current reflooding initiatives, CPA South advisers have been working in partnership with Iraqi authorities, local communities, a wide range of international NGOs and development organisations, to establish long-term, sustainable solutions.

• Moving towards a market-led economy. CPA South advisers are currently undertaking two major surveys to obtain factual information on food and essential commodities and the farm supply market. These will provide the data for developing an exit strategy from the high dependency on the Public Distribution System (see below) and farm supply subsidies.

Food

Around 60% of Iraq’s population is almost solely dependent on the Public Distribution System (PDS), distributing the monthly food ration supplied by the state. In Basrah province this rises to 80%, in Thi Qar to around 95%, of households. Food made available under the ration system includes wheat flour, rice, sugar, tea, cooking oil, milk powder, dried whole milk and/or cheese, pulses, soap and detergent, as well as baby food. The cost of the food ration versus its sale price equates to a monthly subsidy of $60 million for southern Iraq alone.

Until last November, distribution of the food ration was administered under the Oil For Food Program operated by the UN’s World Food Program (WFP). Distribution is now administered by the Ministry of Trade in partnership with the CPA, although WFP continued to provide some support until March 2004.

A major problem for food distribution until this month has been the back-log of containers held at Umm Qasr port. Long negotiation by DFID, DANIDA and Ministry of Trade staff at the port resulted in around 700 containers being released for delivery, some of which had been held for up to a year. Portable ship unloading equipment, now in place, has doubled the capacity for discharging bulk wheat
from vessels, and deliveries of staple items are now on track or only slightly behind schedule. In collaboration with the Coalition Forces and the ICDC, route security for trucks delivering foodstuffs is also improving.

HEALTH SERVICES

Iraq’s health system was at one time among the most highly regarded in the Middle East, and, as in other developing countries, has been characterised in recent years by dedicated staff struggling to provide a quality service in the face of under-investment and huge demand.

Restoring medical facilities was an early priority: in Basra, DFID funded major repairs to the Al-Faiha and Al-Tahreer Hospitals. Al Faiha was formerly reserved for military personnel and has now been open to the public since January. CPA South has funded back-ups for power generation and water supply for hospitals, as well as emergency repairs to hospital roofs and buildings to enable staff to operate during the winter months. In all, eight hospitals in three provinces have been refurbished at a cost of $3.7 million.

Today, all of the region’s hospitals and almost all of its health clinics are open and providing services, although there are reported shortages of nursing staff in some areas.

Surveillance systems are effective: during a recent outbreak of measles among nomads in central Iraq, fewer than ten cases occurred, there were no deaths, and all those at risk were vaccinated. 300 cases of TB among refugees returning to Iraq were swiftly diagnosed and treated. Nevertheless, many communicable diseases (including malaria, cholera and dysentery) are endemic, and require close monitoring using existing and long-standing reporting systems. A tripling in the incidence of TB between 1989 and 2000 is being countered by the increased supply of anti-TB medicines.

Although claimed immunisation rates for children under five in recent years have varied between 79% and 96%, many older children were not vaccinated in the mid-1990s, and more than two-thirds of measles cases appearing in southern Iraq are among older children. With support from UNICEF, the Ministry of Health has begun the process of immunising the country’s 4.2 million children under the age of five against preventable diseases such as polio, tetanus, diphtheria, whooping cough, measles and tuberculosis. 25 million doses of vaccines were purchased through a $3.2 million grant from USAID, while DFID has provided $1.85 million to rehabilitate Iraq’s cold chain system to ensure proper storage of vaccines.

CPA South has supported the provision of textbooks and journals through the Royal Colleges of Medicine, installed paid-for Internet access to medical information systems, supported academic visits and exchanges, and organised training for six Iraqi doctors in the UK and for Iraqi nursing staff at the British military hospital in Shaibah, as well as supporting health co-ordination programmes. External examiners from the UK Royal Colleges oversaw final year Medical College examinations.

Kimadia, the state-owned company that distributes pharmaceuticals and other medical supplies, continues to be a major cause of concern, with losses running at a high rate throughout the system, and outdated materials being supplied from old stocks that in other countries would have long ago been destroyed. In response, CPA South has assisted in the delivery of several major donations of medical supplies, including $1m worth of supplies from the USMC, materials from a Czech military field hospital. A quantity of X-ray film was recently supplied at cost from AGFA, with assistance from private medical suppliers in the UK and transportation via the RAF. Altogether, around $4.7 million worth of special and general medical equipment, drugs and supplies have been procured by CPA South health staff.

Other CPA South-supported work in the health sector includes the refurbishment and re-equipment of the Basrah Blood Bank and Orthotic Centre; rebuilding the Public Health Laboratory and
burns unit; and supporting provincial health directorates in budgeting and planning, installing IT equipment, and collaborating on the delivery of a national health strategy.

EDUCATION

At the beginning of the 1980s, Iraq had one of the best education systems in the Arab world, with Gross Enrolment Rate for primary schooling nearing 100%. Higher education, especially for scientific and technological institutions, was of international standard, staffed by high quality personnel.

The budget for education in 1988/89 was $2.5 billion, 6% of GDP. Between 1988/89 and 2002, expenditure per student declined from around $620 to $47. By 2002, the literacy rate among females in the 15-45 age group was only 45%, for males 71%, suggesting that it is among the younger persons in both groups that the highest illiteracy rates occur. The fact that literacy appears significantly lower among women may be explained by the estimate that in 2000, 31% of girls were not attending school, a percentage twice that for boys.

The most recent survey of educational provision in Iraq (October 2003, undertaken jointly between UNICEF and the Ministry of Education), suggests that 5,800,000 primary and secondary students are taught by 288,700 teachers in 18,600 teaching establishments. 40% of schools are in rural areas. Overcrowding in classrooms and shorter school learning hours mean that many schools teach on a shift system: 30% of schools operate a double shift, 2% a triple shift.

Drop-out rates are high, with up to 50% of children leaving primary school between grades 1 and 6 (by age 12); up to 40% of students drop out of intermediate school between grades 7 and 9 (by age 15).

Prior to 2003, there had been no change in the primary and secondary curriculum for twenty years. No new construction or maintenance on schools had taken place since 1990. In central and southern Iraq, where 15% of educational establishments were located, around 200 schools were destroyed during the conflict, another 2,753 looted after the conflict and 197 schools burned in the same period.

Since the conflict, 786 rebuilding and refurbishment programmes, many led by the Coalition Forces, have taken place across southern Iraq. CPA South co-ordinated the work of sixteen agencies delivering projects continue to improve school infrastructure, ranging from complete rebuilding to painting and refurbishment programmes, as well as the purchase of new desks, whiteboards and teaching materials. UNICEF’s ‘Schools in a Box’ programme offered class-sized boxes of teaching materials distributed throughout the south, as were a range of revised textbooks: following the withdrawal of UN personnel from Iraq, this distribution process was co-ordinated by CPA South advisers.

In September, CPA South co-ordinated a payment from the Coalition Forces of $500 to every school in Basrah province where a refurbishment project had not so far taken place, to enable emergency repairs in advance of the new school year.

To build capacity and improve reporting, CPA South education advisers also helped introduce new financial and administrative systems within the education directorates. DFID funded the reconstruction of the Al Amarah education directorate.

All higher education institutes in the south have reopened and are now providing diploma- and degree-level education. DFID-funded contracts worth $1 million to rebuild Basrah Technical College, formerly used by Saddam’s freedees as a tank base and heavily damaged in the conflict, have now been completed, helping 1500 degree-level engineering students. DFID has also funded the reconstruction of Basrah South University’s Dean’s Office and Business Administration, History and Economics Faculties. The University serves 22,000 students on three campuses.
Overall, CPA South staff have co-ordinated 20 projects four agencies working on reconstruction of Higher Education facilities; helped install five Internet suites and supported IT implementation throughout the Higher Education system; taken a national lead in focusing on the restoration of Technical and Vocational Education facilities; sponsored visits, scholarships and lecture tours to the United Kingdom for Iraqi academics; and co-ordinated the delivery of over 500,000 book donations from three sources.

**TELECOMMUNICATIONS**

The south is seriously under-provided for by the state-owned landline telephone system, with around 60,000 subscribers out of Basra’s 1.3 million city population, and demand exceeding supply. CPA South advisers are assisting with programmes to extend access to telephones to 1 in 10 of households (an average in other countries), to repair the fibre-optic link between Basra and Baghdad, and to provide international telecommunications using the existing landline system via a link to Kuwait.

CPA South advisers have taken a lead in assisting the delivery of a new mobile telephone system for southern Iraq as part of a wholesale renovation of Iraq’s telecommunications system. Most recently, CPA South co-sponsored with DTI a visit by four Iraqi telecommunications directors to meet their counterparts in the UK and meet private sector suppliers.

**CULTURE, YOUTH AND SPORT**

As long ago as the 12th Century, Basra had a functioning public library. In April, the first phase of reconstruction work was completed on Basrah Central Library, looted and burned after last year’s conflict. The work, funded by DFID, will continue with the provision of books and other equipment for the building.

CPA South also assisted in the re-establishment in Basra of the Al-Merbed Festival, a traditional festival reputed to have originated some 1600 years ago, but which was severely curtailed during the last regime. This was the first festival for many years in which artists and poets from across the country could express themselves without fear of reprisal.

CPA South staff also assisted in renovating a building for use by the Ministry of Youth and Sport, to be shared with a number of provincial sports federations, while more recently, a contract has been let to repair Basra’s Jumhuriya stadium, the city’s principal football and athletics venue. At club level, CPA South also assisted in the distribution of large numbers of footballs to youth teams from across the south, as well as enabling the distribution of 35 chess sets, donated by British chess-players to youth clubs in the province.

**MEDIA**

Since April 2003, large numbers of newspapers and magazines have been launched across Iraq. In the south, most of these new publications are based in Basra, but local newspapers operate in all four provinces. Around 15 newspapers are produced to serve a southern audience, some printed in Kuwait, others in Baghdad. There is also a Basra edition of the national daily Azzaman. A number of cultural journals have also re-emerged. The infrastructure of these publications is often fragile, mostly due to the absence of significant commercial income through advertising.

CPA South staff have co-ordinated training for selected Iraqi journalists in Iraq and Jordan, established links with international media staff, and worked to develop a regional press centre, to provide meeting and information facilities for Iraqi and visiting journalists. This last project is likely to be embodied in a Civil Society Resource Centre, one of a series of such initiatives planned for population centres across Iraq.

CPA South staff continue to provide information resources for journalists with limited resources of their own; have assisted in processing applications for licences to establish new television and radio...
stations; and, in tandem with the Coalition Forces, are promoting media training for Iraqi public information officers.