

World Bank Iraq Trust Fund
Project #: P087910
March 2008 / 1st Quarter
Project Summary Sheet

Title	Emergency Water Supply, Sanitation and Urban Reconstruction Project				
Implementing Agency	Ministry of Municipalities and Public Works (MoMPW)				
Location	<i>Water Supply / Sanitation</i> <ul style="list-style-type: none"> • Arbil, Karbala (Karbala & Al-Hussayniyah), Maysan, Al Muthanna <i>Urban Reconstruction</i> <ul style="list-style-type: none"> • Arbil, Karbala 				
Sector code (OECD DAC)	<i>14020</i>	Water supply and sanitation (large systems)			
	<i>43030</i>	Urban development and management			
Compact Priority	<i>4.4.1.5.2</i>	Undertake specific measures to ensure universal access to services (water / sanitation, housing, etc...)			
Project Cost	US\$110 million				
Duration	61 months				
Approval Date	December 2004	Effective Date	December 2004	Closing Date	December 2009
Project Description	<p>The project aims to help restore basic water supply and sanitation services and urban services in the poorest areas of the country, choosing subprojects that will have high impact. The project originally financed water supply and sanitation rehabilitation in nine cities, and rehabilitation of urban infrastructure in three cities.</p> <p>The project was restructured in January 2007 and the grant amount was increased from US\$90 million to US\$110 million to cover price increases, while maintaining the original project objectives. Due to the continued impact of rising costs and security issues in some areas, in December 2007, MoMPW and the World Bank jointly agreed on a project restructuring plan, which will reduce the number of sites to be rehabilitated, while meeting the project's development objective. Following the planned restructuring, the project finances water supply and sanitation services in five cities instead of the original nine cities, and the rehabilitation of urban infrastructure in two cities, instead of three as originally planned. The project will create vitally-needed short-term employment and strengthen Iraq's capacity to manage large-scale reconstruction projects.</p>				
Beneficiaries	The rehabilitation financed under the project will bring significant health and welfare benefits to approximately 1 million people in five municipalities. The resulting improvement in water supply and sanitation services will also help reduce the incidence of waterborne diseases, which are a major contributor to infant and child mortality.				
Near Term Employment Creation	The works will be conducted by local firms creating an estimated 3,000 short-term construction sector jobs.				

Strategic Context and Donor Coordination

The Joint UN-World Bank Needs Assessment estimated total needs for rehabilitation and reconstruction of water supply and sanitation facilities to be about US\$6.8 billion over four years. The World Bank worked closely with the MoMPW to identify project components, which were coordinated with the work of the US, DFID (in the south), and UN agencies (in the north). Bank-administered financing is implemented by the MoMPW to help ensure Iraqi ownership and build Iraqi institutional capacity. The World Bank's interventions are carefully designed for sustainability (e.g. new water treatment units are accompanied when necessary by distribution network rehabilitation). The World Bank meets regularly with other major donors, and collaborates closely with the Japan Bank for International Cooperation, including launching joint missions, to identify joint and complementary financing opportunities for future projects.

Project Development Objective

- Restore basic water supply, sanitation and urban services for areas outside Baghdad

Outputs, Key Activities and Procurement

Outputs	<ul style="list-style-type: none"> • Priority water networks and treatment facilities rehabilitated • Urban infrastructure rehabilitated • Increased capacity of MoMPW to manage rehabilitation works
Activities	<ul style="list-style-type: none"> • Rehabilitation and upgrading of water systems in Al Samawa, Al-Hussainia, Majar, and Badawa. • Replacement of sewerage and stormwater collection system in some areas in Karbala and Badawa. • Urban rehabilitation works in Badawa and Karbala • Capacity building activities
Procurement	Civil works: US\$102 million Consulting services: US\$8 million (60% local)

Financial Data (as of 03/31/2008)

Funds Committed	US\$74.0 million	% approved	67
Funds Disbursed	US\$22.7 million	% approved	21
Forecast Closing Date	December 2009	Delay (months)	28

Progress against indicators

Increase in the quantity of water produced in the project cities (million cubic meter of treated water per day)	Component under implementation (ex-post assessment)	% of planned	N/A
Improvement in the % of water samples meeting the WHO biological and chemical standards in selected project cities.	Component under implementation (ex-post assessment)	% of planned	N/A

Qualitative Assessment of Project Performance

The project has experienced a significant increase in pace since the last quarter of 2007. Project commitments are currently US\$71 million (65% of the grant amount), disbursements are \$22.75 million, and the quality of the works under implementation is good.

Major Implementation Obstacles

Project implementation is affected by the ongoing security situation, which impedes movement, creates hardship for contractors and project management staff, and makes some project sites temporarily unreachable. A lack of institutional capacity and/or appropriate delegation of authority can delay project processing and decision-making in the ministry. Despite initial lingering implementation delays, following the restructuring of the project, implementation speed has increased and many of the long-standing obstacles have been resolved.