



USAID
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**Report on the Agreement
between the
U.S. Agency for International Development (USAID)
and the
United Nations Development Program (UNDP)
for Assistance in the Republic of Iraq**

The U.S. Agency for International Development (USAID) is submitting this report pursuant to Section 7019(e) of Division K of Public Law 116-260, which incorporates by reference the requirements of House Report 116-444:

Not later than 45 days after enactment of this Act, the USAID Administrator shall submit a report on the status of the modified agreement between USAID and the United Nations Development Programme (UNDP) regarding assistance to Iraqis, particularly religious and ethnic minorities, to enable them to return to their homes in areas liberated from ISIS. One aim of the modified agreement was to ensure that the United States contribution will help the populations of liberated areas in Ninewa Province resume normal lives by restoring community-prioritized services such as water, electricity, sewage, health, and education.

Background

In July 2015, USAID awarded a Public International Organization (PIO) grant to UNDP to support the multi-donor Funding Facility for Stabilization in Iraq (UNDP-FFS). UNDP-FFS aims to help the Government of Iraq (GOI) promote the safe and voluntary return of internally displaced persons (IDPs) to communities liberated from the Islamic State in Iraq and Syria (ISIS). USAID's funding to UNDP-FFS supports health, education, water, electricity, and livelihood activities in the Anbar, Salah al-Din and Ninewa Provinces. To date, USAID has provided \$405.2 million directly to UNDP-FFS to allow the GOI to demonstrate its commitment to providing essential services in newly liberated areas. As of January 2021, UNDP-FFS has also received substantial contributions from 29 other coalition donors of more than \$1 billion for a total of over \$1.45 billion international investments in UNDP-FFS since 2015, including an ongoing \$33.3 million contribution from the GOI. Other leading contributors to UNDP-FFS include the Federal Republic of Germany; the Kingdoms of Denmark, The Netherlands, and Norway; the United Kingdom of Great Britain and Northern Ireland; the European Commission; Japan; and the United Arab Emirates (See Tab 1 – UNDP Coalition Contributions as of December 2021 (since 2015)).

I. **USAID’s Contributions to UNDP-FFS since January 2021**

In December 2020 and January 2021, USAID provided a total \$21.9 million in FY 2020 funds for urgent stabilization needs in liberated areas, of which \$14.4 million is for critical stabilization needs in religious and ethnic minority communities in Mosul, the Ninewa Plain, Sinjar, and their environs.

In September 2021, USAID re-invested approximately \$7.8 million in reconciled cost savings from UNDP-FFS to fund additional activities in support of religious and ethnic minority communities in the Ninewa Plain and Sinjar.

II. **USAID-Funded Assistance through UNDP-FFS for Ninewa Province since January 2021**

Through UNDP-FFS, since July 2015, USAID has funded over \$159.3 million in projects in the Ninewa Province, including over \$66 million in the Ninewa Plain and Sinjar, and \$92.1 million in Mosul and its environs, the economic recovery of which is vital for the survival of Yezidi, Christian, and other communities in Ninewa. As of January 2021, USAID is supporting 283 education, electricity, health, justice, municipal, and water activities through UNDP-FFS in the Ninewa Plain and Sinjar, of which 229 are completed, 45 are under implementation, and 9 are in development; and 86 UNDP-FFS activities in Mosul and its environs, of which 74 are completed, 5 are under implementation, and 7 are in development.

USAID personnel and third-party monitors continue to make site visits, as the security and COVID-19 situations allow, to ensure that USAID-funded assistance through UNDP-FFS and other programs is supporting towns in the Ninewa Province with predominantly ethnic and religious minority communities. However, the two Ordered Departures since May 2019 and the COVID-19 pandemic are impacting USAID personnel travel. Third-party monitoring visits have returned to pre-pandemic levels. .

In support of local vendors’ ability to win UNDP-FFS-sponsored tenders, UNDP-FFS also continues to hold training on UNDP’s procurement procedures and its e-tendering system, including for companies based in the Ninewa Plain, Sinjar, and most recently, Ramadi. UNDP-FFS also divides larger projects into smaller segments to enable local small businesses—like those from ethnic and religious minority communities—to compete.

To make ethnic and religious minority communities more aware of the USAID-funded work taking place in their towns and villages, USAID overhauled its branding and marking policy in Iraq in September 2018. UNDP-FFS currently brands and marks all completed and ongoing USAID-funded projects, including in the Ninewa Plain, Mosul, and Sinjar. As a result, communities in the Ninewa Plain and Sinjar have a greater awareness of the activities the United States is funding in their areas. UNDP has continued to brand despite ongoing U.S.-Iran tensions in Iraq and some non-USAID funded activities to be under requested branding waivers.

III. **USAID's Oversight Requirements of UNDP-FFS since January 2021**

Beginning in January 2018, UNDP's Office of Audit and Investigations assigned an investigator specifically to focus on UNDP-FFS, and must provide regular updates to Coalition donors on vulnerabilities discovered in projects paid for, and managed by, UNDP-FFS, as well as enhanced monitoring and evaluation. USAID reviews UNDP's implementation on a regular basis. This is pursuant to the terms of the modified grant agreement. USAID's third-party monitors conduct multiple site visits at every project under way to ensure satisfactory quality. Through the ongoing verification by USAID personnel and contractors, the Agency has determined that UNDP continued to comply successfully with these additional oversight requirements in 2021, (See Tab 2 – UNDP Summary Progress for FFS Steering Committee March 2022).

Attachments:

Tab 1 – [UNDP Coalition Contributions as of December 2021 \(since 2015\)](#)

Tab 2 – [UNDP Summary Progress for FFS Steering Committee March 2022](#)