1. Project
Country: The Republic of Iraq (hereinafter referred to as Iraq)
Project: Health Sector Reconstruction Project
Loan Agreement: October 14, 2012
Loan amount: 10,245 million yen
Borrower: The Government of the Republic of Iraq

2. Background and necessity of the project
(1) Development achievements and issues (present situation) in the health sector in Iraq
   Iraq has been faced with the problem of dilapidated medical facilities and equipment due primarily to numerous conflicts, economic sanctions and deteriorated governance after the 1980s and the problem of declining quality of medical services often caused by the outflow of medical professionals. Its health indices have markedly dropped as can be seen typically in its infant mortality rate (23/1,000 births in 2009), which is 2~6 times higher than other Gulf nations.

(2) Development policy in the health sector in Iraq and the meaning of this project
   The National Development Plan (2010 ~ 2014) of Iraq sets a goal of building an integrated medical system. As one specific measure, the Iraqi government shall enhance disparity reductions in medical service between urban districts and rural areas. To materialize this goal, the Iraqi government has been constructing large-scale hospitals with some 400 beds with its own funds in urban districts. The core general hospitals to be constructed in provincial areas under this project are the facilities to connect primary medical facilities with advanced medical services. Hence, it contributes to building an integrated medical system in entire Iraq, as has been aimed for in the National Development Plan. This Project is identified as a project contributing to achieving a development objective set by the Iraqi government.

(3) Assistance policies and achievements of Japan and JICA in the health sector
   The Japanese government and JICA identify “the quality improvement of medical service” as a major development issue in “social infrastructure development,” which is one of the priority areas in assistance to Iraq. Past Japanese assistance for the health sector includes emergency provision of medical equipment to Samawah Maternity & Children Hospital in fiscal 2003, provision of ambulances and provision of medical equipment to primary health centers in Al-Muthanna in fiscal 2004 (both of which are emergency grant aid). In addition, Japanese government provided, as emergency aid, medical equipment and
facilities to the hospitals that were supported under “5 Hospitals Medical Equipment Project” and “8 Hospitals Medical Equipment Project” by the former Export-Import Bank of Japan. Furthermore, JICA offered training in the health sector (hospital management, development of nurse leaders, and etc.) as technical cooperation to 755 persons which accounted for 17% of the total Iraqi participants in training (fiscal 2003 ~ 2010).

(4) Actions taken by other aid organizations

The World Health Organization (WHO) has been implementing a project concerning health policy planning. UNDP addresses issues in the health sector in its project concerning the modernization of Iraq’s public sector. Thus, aid to this section in Iraq is provided primarily by international organizations.

(5) Necessity of the project

As stated above, this Project is in line with the issues in the health sector and the development policy of Iraq and also an aid priority area set by the Japanese government and JICA. Hence, the project has the necessity and relevance to implement.

3. Project profile

(1) Objectives

Under this Project, core general hospitals are constructed in provincial areas, which will strengthen the health care system and rectify regional disparities in health services, thereby contributing to health improvements and socio-economic and social development.

(2) Project site/target area

Governorates of Dhi Qar (direct beneficiaries: 400,000 persons), Basrah (240,000 persons), Salahuddin (160,000 persons), Kirkuk (890,000 persons), Diyala (120,000 persons), Babylon (300,000 persons), and Karbala (210,000 persons)

(3) Outline of the project

1) Construction of core general hospital (with about 200 beds) and provision of medical equipment/supplies
2) Consulting service (basic design, procurement support, implementation management, etc.)

(4) Total project costs

10,589 million yen (including ODA loan of 10,245 million yen)
5. Implementation schedule
   The duration is planned for October 2012~December 2018 (75 months in total).
   The completion of the whole civil works marks the completion of this Project.

6. Implementation structure
   1) Borrower: The Government of the Republic of Iraq
   2) Project executing agency: Ministry of Health (MOH)
   3) Operations management and maintenance system: Same as 2

7. Environmental and social considerations, poverty reduction, and social development
   1) Environmental and social considerations
      (1) Classification: Category C
      (2) Reasons for classification: This Project’s environmental impact is judged to be minimal under the Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations (established in April 2002).
   2) Promotion of poverty reduction: None
   3) Promotion of social development: None

8. Other schemes and partnerships with other donors: None

9. Other special issues: None

4. Output of the project
   (1) Quantitative output
      1) Operation and effect indices (a case of the core general hospital in the governorate of Dhi Qar)

<table>
<thead>
<tr>
<th>Name of index</th>
<th>Baseline (Actual in 2010)</th>
<th>Target value (2 years after the completion of the project)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitalized patients (in person, day/year)</td>
<td>17,516</td>
<td>49,369</td>
</tr>
<tr>
<td>Number of births per year</td>
<td>7,612</td>
<td>9,506</td>
</tr>
</tbody>
</table>

2) Internal rate of return:
   Reliable data in Iraq are not readily available due primarily to its current domestic situation. Hence, it is difficult to estimate a ripple effect on the national economy. Furthermore, nearly all the public medical services are provided to people free of charge. It is, therefore, difficult to compute an accurate internal rate of return.
(2) Qualitative outputs
  Creation of employment opportunities during implementing the Project; health improvements by strengthening the health care system; upgrading of management, operations and maintenance systems of the executing agency through offering training and the establishment of manuals.

5. External conditions and risk control
  Rapid deterioration in the security situation in Iraq.

6. Evaluation results of past similar projects and lessons learned
  From the past projects that constructed multiple hospitals, it is recommended to take different measures, depending upon the level of the capacity of an executing agency, in technical assistance concerning the use of supplied equipment and operations and maintenance. In this Project, the possibility of technical cooperation will be discussed for capacity building in hospital operations and hospital management for better management of hospitals and use of equipments supplied.

7. Plan for future evaluation
  (1) Index to be used in the coming evaluation
      Operation and effect indices.
  (2) Time of the evaluation in the future
      Two years after the completion of the Project.