



Iraq

Local Governance in Complex Environments Project Assessment

The DGTTF Lessons Learned Series

United Nations Development Programme

Iraq

Local Governance in Complex Environments

Project Assessment

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Abbreviations¹

CCA	Common Country Assessment
CO	Country Office
COSIT	Central Organization for Statistics and Information Technology
CPA	Coalition Provisional Authority
DGTTF	Democratic Governance Thematic Trust Fund
DLG	Decentralization and Local Governance
FAO	Food and Agriculture Organization of the United Nations
ICT	Information and communication technology
IEU	Iraqi Engineers Union
ISO	International Organization for Standardization
LADP	Local Area Development Programme
MMPW	Ministry of Municipalities and Public Works
OECD-DAC	Organisation for Economic Co-operation and Development/ Development Assistance Committee
OGC	Oslo Governance Centre
POGAR	Programme of Governance in the Arab Region
RCC	Regional Centre in Cairo
UN	United Nations
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESCWA	United Nations Economic and Social Commission for Western Asia
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
USAID	United States Agency for International Development
WHO	World Health Organization

¹ The abbreviations and acronyms relate to those used in the main text, not those that are found only in the Annexes.

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Preface

The Millennium Declaration from the Millennium Summit in 2000 emphasizes the centrality of democratic governance for the achievement of the Millennium Development Goals (MDGs). World leaders agreed that improving the quality of democratic institutions and processes, and managing the changing roles of the state and civil society in an increasingly globalized world, should underpin national efforts to reduce poverty, sustain the environment, and promote human development.

The Democratic Governance Thematic Trust Fund (DGTTF) was created in 2001 to enable UNDP Country Offices to explore innovative and catalytic approaches to supporting democratic governance on the ground. The DGTTF Lessons Learned Series represents a collective effort to capture lessons learned and best practices in a systematic manner, to be shared with all stakeholders, to serve as an input to organizational learning, and to inform future UNDP policy and programming processes.

Executive summary

This report presents a review of the project *Post-Constitutional Support to Decentralization and Local Governance Initiatives*, implemented in Iraq during 2006 and 2007 with resources provided by the Democratic Governance Thematic Trust Fund (DGTTF).

The assessment team was composed of the UNDP Democratic Governance Practice Team Leader for the Arab States Region and a Democratic Governance Adviser from the UNDP Oslo Governance Centre. The team analysed secondary sources such as reports, studies and statistics, and conducted semi-structured interviews in Amman with staff at the UNDP Iraq Office as well as project staff based at ministries in Iraq by telephone on 18 and 19 November 2009.

The most tangible results of the project were:

- ✓ A nationwide needs assessment of the capacity of the 18 Iraqi governorates to provide services as stipulated by the Constitution of 2005;
- ✓ A capacity development Action Plan based on best practices, e.g. UN-HABITAT, ISO quality standards.

Main Findings and lessons learned

Effectiveness

Based on the review of the information gathered during the mission, the team has found that the project has achieved its intended objectives in terms of the output delivered.

The nationwide needs assessment was completed in 2007. The main goal of the assessment was to gather data with a view to identifying capacity gaps for service delivery,

focusing on quality assurance, project management, environmental management, and information and communication technology (ICT).

Investing in local capacities to carry out the assessment and make additional recommendations was an additional benefit. The assessment was conducted in all 18 governorates during a volatile security situation in Iraq, using local experts. The Iraqi Engineers Union (IEU) facilitated the implementation of the assessment with their network in all governorates. By contracting the IEU, UNDP and the Ministry of Municipalities and Public Works (MMPW) were able to invest in developing the knowledge of local actors and their capacity to identify development priorities and tackle them in the future, contributing to national ownership.

Furthermore, an Action Plan was also formulated to address the capacity gaps identified during the needs assessment. The Action Plan presents detailed recommendations on training methodologies as well as content for five training programme units based on public and private sector best practices.

Innovation

The project provided a direct response to the 2005 constitutional provision on administrative and political decentralization by examining the capacities of governorates to implement the changes mandated by the Constitution. Given that this represented a shift in the centralizing character of the former regime, it was considered a critical issue by the Iraqi Government as well as donors, and it was firmly anchored in their agenda as a priority. It was also the first time that governorates had their capacities to provide basic services assessed in such detail, followed up by a concrete Action Plan.

ISO standards were recommended for various training activities of the Action Plan, which represented an interesting innovation in terms of the approach taken by the project.

Catalytic effect

The initial needs assessment funded by the DGTTF project has fed directly into the Support to Decentralization and Local Governance (DLG) project which was later developed with a budget of approximately USD 6 million. In addition, the Action Plan was adopted by the MMPW as its training plan.

Some of the results of the assessment shaped the design of the DLG component under the UN Joint I-PSM programme in terms of capacity development requirements of the local governments. The DLG project is considered by the Country

Office (CO) as a preparatory step for a much wider USD 60 million project on public sector reform, phase 1 of which is due to start in 2010.

The original DGTTF project was therefore deemed by the CO to be financially and substantively catalytic and has strengthened the partnership with the MMPW as well as with governorates.

Sustainability

The most telling sign of the sustainability of the project has been the incorporation by the MMPW of the training programmes suggested in the capacity development Action Plan funded by the DGTTF, as its own training plan.

Since the Action Plan was presented, five training centres were created where civil servants receive training in modern management skills, strategic planning and conflict resolution. Training of Trainers programmes are regularly held at the training centres, which have been financed by the Government of Iraq since 2008. Trainings have been conducted for officials both from line ministries and local government, and enjoy a high degree of support from the Prime Minister's Office, having received positive coverage in the media. Training needs were jointly identified by the IEU, the MMPW and the representatives of the local government. All questionnaires were developed by the IEU and the MMPW.

Relevance and strategic positioning

The UNDP governance portfolio in Iraq had a budget of USD 103.9 million from 2004 to 2009. In this context an investment of only USD 100,000 is of little significance in dollar terms, but the DGTTF project did allow the CO to carry out an important activity in a highly strategic area. Given the 2005 constitutional provisions on administrative and political entities, and the overall objective of the project to support governorates in better planning and delivery of basic services, the project was clearly relevant and in line with the main areas identified by OECD-DAC donors under the Joint Needs Assessment of 2003 and Coalition Provisional Authority Order 71:2004.

The project on local governance and decentralization that was subsequently developed based on the DGTTF project is also aligned with the Iraqi National Development Strategy of 2007-2010, which enshrines the responsibility of governorates for rehabilitation and service delivery.

The DGTTF project has therefore allowed UNDP Iraq to promote strategic activities in the area of local governance and decentralization by providing UNDP with

invaluable data about the capacities on local level to fully implement legislation consistent with the newly adopted 2005 Constitution.

Codification of tools and lessons learned

- ✓ The Iraqi case confirms the relevance of the DGTTF to crisis countries. As the Iraqi case illustrates, relatively small financial allocations from the DGTTF to support innovative projects can nevertheless be of high significance in conflict-affected countries, even in contexts with a large governance portfolio such as Iraq. When rightly targeted, small-scale interventions funded by the DGTTF can open up new avenues and be instrumental in building larger development interventions. Due to its specific nature, the DGTTF provides an important funding window for innovation, with advantages over other types of funding mechanisms.
- ✓ Using local expertise, when available, promotes national ownership, sustainability and the development of local capacities. By resorting to local experts (i.e. the Iraqi Engineers Union) and relying on their expertise to carry out the countrywide needs assessment, the UNDP and its national counterpart were able to implement the assessment despite the highly volatile security situation. As a local NGO with a trajectory of professionalism and independence from the public sector, and due to its wide network, the implementing agency had a critical comparative advantage over external consultants in terms of gathering data on the ground and making recommendations that take into account local realities and aspirations.
- ✓ Early recovery and reconstruction can provide entry points for support for local governance and decentralization preparedness. When thoroughly planned and conducted, early recovery and reconstruction interventions tend to forge bonds between the intervening agency and local populations, authorities and other national stakeholders that facilitate the support of local governance and decentralization processes. In conflict-affected countries, engaging with local actors at the early recovery and reconstruction phase on projects aimed at restoring basic services or infrastructure provides opportunities for building trust and relationships, both intangibles of key value for later interventions in more sensitive governance areas.

Introduction

Purpose, scope and methodology of the assessment

This report contains an assessment of the project *Post-Constitutional Support to Decentralization and Local Governance Initiatives*, implemented in Iraq during 2006 and 2007 with resources provided by the Democratic Governance Thematic Trust Fund (DGTTF).

This assessment is part of the DGTTF Lessons Learned Series. The primary purpose of the Series is to examine to what extent the DGTTF funding has met its objective in terms of supporting innovative and catalytic initiatives in democratic governance based on empirical evidence from the ground. Secondly, the Series aims at capturing country-level experiences to feed into UNDP policy and programmes on national, regional and global levels. Furthermore, it is also intended to buttress institutional memory and knowledge management efforts at UNDP Country Offices and Regional Service Centres through the codification and dissemination of tools and instruments used in the implementation of DGTTF projects and regional programmes.

The assessment has focused on the project design and results with a focus on innovation and catalytic effect, taking into account the Iraqi context and political environment as well as factors that are relevant to understanding efforts toward improving local governance in Iraq.

The assessment team analysed secondary sources such as reports, studies and statistics, and conducted semi-structured interviews in Amman with staff at the UNDP Iraq Office as well as project staff based at ministries in Iraq by telephone on 18 and 19 November 2009. The assessment team was composed of the UNDP Democratic Governance Practice Team Leader for the Arab States Region and a Democratic Governance Adviser from the UNDP Oslo Governance Centre.

The main constraint faced by the assessment team was the inability to travel to Iraq due to security restrictions. Given the nature of the project to be assessed, it would have been natural for the team to hold meetings with local authorities and other stakeholders to better understand the impact of the project. The fact that this was not possible does have implications for the depth and scope of the analysis presented here.

The political economy of local governance in Iraq

Following the US-led invasion of 2003 and throughout the duration of the DGTF project in 2006-2007, Iraq experienced high levels of violence, terrorist attacks and sectarian conflict which threatened the country's fragile political processes and institutions. Notwithstanding grave security concerns, the new Iraqi Government proceeded with programmes for longer-term sustainable economic development and democratic governance. It was also recognized that the country's future depended on the creation of a strong but accountable central state to promote peace and security as well as decentralized governance to bring equitable service delivery throughout a highly fragmented and conflict-torn country. Thus, Iraq's local governance reforms cannot be understood in isolation from concurrent efforts to establish a legitimate, representative and accountable central government.

The (post)conflict context in which local governance reform took place affected the overall incentive environment for local governance. The following issues attest to this fact.

Firstly, the 2005 Constitution provided guidelines on political and administrative decentralization in Iraq through a process of devolving power to the governorates (18 in total). There are three levels of local government in Iraq, namely, the governorate level (Muhafaza), district level (Qada'a) and sub-district level (Nahiya). This legal environment was further developed through the 'Law of Governorates not organized into a Region' which was enacted in March 2008. Under that law, Governorate Councils became responsible for the formulation of development plans for the governorate. Governorate Councils receive different shares of federal revenues, coordinate with line ministers and oversee those very same line ministries over service delivery performance².

Lack of clarity regarding administrative and financial authority and relationships with the centre existed in 2006-2007 (and continued to persist). Despite the de jure conditions conducive to a devolution of power, which evolved over time since 2006, more coherence and less confusion between constitutional and provincial laws continued to be a necessity. Some of the shortcomings are the following:

- ✓ Governorate Councils have no influence over the planning and resource allocation of line ministers through which the vast majority of basic services are provided;
- ✓ Although local councils are in a position to oversee line ministry services and identify problems, they have no enforcement capacity;
- ✓ There is no provision in the law for systematic planning or resource allocation below the governorate level and no criteria are defined to ensure equitable distribution of services and resources;
- ✓ There is no provision made in the law for generating revenues at a local level;
- ✓ Gender considerations are still weak;
- ✓ Reference to inclusion and participatory mechanisms is lacking³.

Secondly, implementation of reform by leadership and middle management - as decentralization was a nascent endeavour - was a critical point in the chain of reform. Civil servants working on the local level needed to be engaged to reduce fear of losing their jobs, resulting from a misconceived understanding of how decentralization would affect them. There was also a need to engage with middle managers in particular in order to strengthen their participative planning skills, among other things. This is a particularly important skill given the expansion of the civil service in a country that is learning anew how to deal with its diversity and shifting balance of power among the groups and confessions. Other disincentives which needed to be addressed at the time and ever since included:

- ✓ Political will to consider alternative forms of service delivery and devolve functions to lower levels;
- ✓ The interference from political, religious and tribal powers in the work and priorities-setting of the local authorities;

²UNDP Iraq, 'Governance in Iraq: Selected Topics', September 2009, pp. 50 – 51.

³Ibid, pp. 51 – 52.

- ✓ Continued centralization of fiscal/budgetary allotment and allocations as there is no enabling legislation;
- ✓ The absence of local government systems/processes that enable local revenue collection, budgeting and planning so as to ensure equity and fair distribution of resources and greater financial autonomy for local governments;
- ✓ Poor connections between monitoring service delivery and government capacity to deliver; lack of information and openness in decision making⁴.

Box 1: Key Concepts⁵

The term decentralization is usually applied to refer to any shift away from the centre, whether administrative, political or fiscal. There are three main models of decentralization:

Deconcentration – central government disperses responsibilities for certain services to its regional or local offices. This does not involve any transfer of authority to lower levels of government.

Delegation – central government transfers decision-making responsibility and administration of public functions to local governments or semiautonomous organizations while retaining supervisory powers at the centre. It can be described as a principal-agent relationship⁶, with the central government as the principal and the local government as the agent.

Devolution – central government transfers authority for decision-making, finance and management to elected bodies with some degree of local autonomy. Local governments have legally recognized geographical boundaries over which they exercise authority and within which they perform public functions.

The shift in responsibility between tiers of government is underpinned by political, administrative, fiscal and market dimensions that define the extent to which intergovernmental relations are deconcentrated, delegated or devolved.

Political decentralization involves the transfer of political authority to the local level through the establishment of elected local government.

Administrative decentralization is the transfer of responsibility for planning, financing and management of public functions from the centre to subordinate units of government agencies, semi-autonomous public authorities, corporations or regional authorities.

Fiscal decentralization refers to resource reallocation from central to local level. If local governments are to carry out decentralized functions effectively, they must have an adequate level of revenues as well as the authority to make decisions about expenditures.

Economic or market decentralization relates to the transfer of public functions from government to voluntary, private or non-governmental institutions. This can be done through contracting out partial service provision or administrative functions, by deregulation or by full privatization.

⁴Ibid, p. 52.

⁵UNDP. *Democratic Governance Reader – A Reference for UNDP Practitioners*. Oslo and New York, 2009, pp. 114 and 178.

⁶A 'principal-agent relationship' describes a relationship where a person or entity (called the agent) acts on behalf of another (called the principal). In this case, local governments act on behalf of a central government.

Project Post-constitutional Support to Decentralization and Local Governance Initiatives (2006)

Background and strategy

Prior to 2003, the Iraqi administration was heavily centralized, with the national government taking responsibility for providing health, education and maintaining infrastructure and related services, heavily subsidized or free of charge, to all citizens, following a deconcentrated model of service delivery. Although the Iraqi civil service traditionally enjoyed a high level of capacity, the wars and international sanctions of the past two decades have contributed to undermining the quality and coverage of basic services, particularly in rural areas. At the same time, local government bodies became increasingly understaffed, under-resourced and poorly equipped to deliver public services.

According to the Iraq 2009 Common Country Assessment (CCA), "[s]ince 2004, Iraq adopted a decentralized political system comprising of 18 governorates, including a federal structure to apply to the Kurdistan region and any future regions so organized.⁷ Governorate Councils have responsibility, among others, for the formulation of local development plans and have received substantial budget transfers from the national government.⁸ However, most services are still delivered through Ministries and their departments at the governorate level, within which planning and resource allocation is still based on the centralized model. The move towards greater decentralization represents, at both the political and administrative levels, a profound transformation from the method of government decision-making under the previous regime"⁹. In 2005, a new Constitution was adopted in Iraq, in which governorates are given nearly full responsibility for service delivery.

However, although the 2005 Constitution has committed Iraq to decentralization, further legislation is needed to clearly delineate fiscal, functional and administrative authorities between national and subnational levels of government.

In this context, the DGTTF-funded project 'Post-Constitutional Support to Decentralization and Local Governance Initiatives' was formulated with the main objective to contribute to strengthening local governance capacities in the 18 Iraqi governorates. It built on the findings of the Joint Needs Assessment carried out by the UN and the World Bank in 2003. The Joint Needs Assessment identified 14 sector priorities based on aggregate data on national level and aimed to inform the Donor Reconstruction Conference that established the International Reconstruction Fund Facility for Iraq launched in 2004.¹⁰

The project was implemented in 2006 and 2007 in partnership with the Ministry of Municipalities and Public Works (MMPW), which oversees 15 governorates, and the Ministry of Municipalities of the Kurdistan Regional Government, which oversees the other three governorates. It aimed to deliver one key output, namely, a 'Needs Assessment of the Capacity of Local Authorities to Deliver Services to the Local Population'¹¹.

⁷These comprise Baghdad and 14 governorates constituted of 251 municipalities. Municipal structures are present at all levels of local government, i.e. governorate level (Muhafaza), district level (Qada'a) and sub-district level (Nahiya) outside of the capital Baghdad. The term 'municipality' refers to the government unit below the governorate. The term 'local government' refers to governorate, district and sub-district levels.

⁸Provincial Powers Act (March 2008). As stipulated in Article 121 (Third) of the Constitution, USAID, Iraq local Governance program, *Law of Governorates Not Incorporated into a Region, An Annotated Text*, July 2008, Version 1. Budget transfers are intended as an equitable share of federal revenues based on the population, resources and needs of the governorate. Governorate Councils also have a monitoring and oversight role over the service delivery performance of line departments.

⁹Common Country Assessment for Iraq 2009, p. 24.

¹⁰United Nations – World Bank, Joint Iraq Needs Assessment, October 2003, available at <http://siteresources.worldbank.org/IRFFI/Resources/Joint+needs+Assessment.pdf> Last access: 13 January 2010.

¹¹Project document 'Post-Constitutional Support to Decentralization and Local Governance Initiatives', UNDP Iraq, 2006.

Findings and lessons learned

Effectiveness

The most tangible results of the project were:

- ✓ A nationwide needs assessment of the capacity of the 18 Iraqi governorates to provide services as stipulated by the Constitution of 2005;
- ✓ A capacity development Action Plan based on best practices, e.g. UN-HABITAT, ISO quality standards.

Based on the review of the information gathered during the mission, the team has found that the project has achieved its intended objectives in terms of the output delivered.

The nationwide needs assessment was completed in 2007. The main goal of the assessment was to gather data with a view to identifying capacity gaps for service delivery, focusing on quality assurance, project management, environmental management, and information and communication technology (ICT).

Furthermore, an Action Plan was also formulated to address the capacity gaps identified during the needs assessment.

The capacity needs assessment report (henceforth 'the project report') funded by the DGTF contains a comprehensive review of the capacity gaps for the delivery of 'basic services for all' in the areas of water and sanitation, waste management, education, health, and energy supply.

The project report is based on detailed statistical data collection, interviews and discussions with key officials working in central ministries as well as in the local administrations of the governorates. It drills down on the major data sets

presented by the 2003 Joint Needs Assessment and lists data disaggregated by region, urban and rural areas, focusing on levels of deprivation in each governorate, based on the Iraqi Living Conditions Survey of 2004 compiled by COSIT.

Household survey data is also provided for selected areas, shedding light on important regional disparities. As an illustration, the report mentions that 60 percent of urban households in Iraq have access to drinking water, while in rural areas the figure declines to 33 percent. Unsurprisingly, the pattern is similar for data across governorates, with urban areas being better off in terms of education, health and infrastructure. In Baghdad, for example, 19.3 percent of households lack easy access to education, while in Al-Al-Muthana, the percentage of households without easy access soars to 55.9 percent.

In order to tackle these challenges, the project also produced a training needs assessment for civil servants at the governorate level and Action Plan comprising five training 'Programme Units', as follows:

- ✓ Programme Unit 1: Basic service delivery planning, management and human resource development
- ✓ Programme Unit 2: Quality assurance policy and management
- ✓ Programme Unit 3: Project management systems
- ✓ Programme Unit 4: Environmental and sustainable development
- ✓ Programme Unit 5: Information and Communication Technology – ICT

The Action Plan presents detailed recommendations on training methodologies as well as content for the various programme units based on public and private sector best practices. Programme Unit 1, for example, includes an e-course on 'Key Competencies for Local Elected Leadership' based on the UN-HABITAT training series; Sub-programme Unit 2 is based on the 'ISO quality standards for continual improvement'.

In addition, there was an intention to use the needs assessment as a first step in 'a long-term programme that would start with the design and establishment of a Centre of Excellence on Local Governance in a selected governorate, with an eye towards establishing this type of centre in each

of the governorates assessed.¹² Eventually, Regional Training Centres were established, funded and operated with the support of USAID through the Tatweer programme.

The DGTTF project did not have a South-South element as such, since no external expertise was used. In fact, the project used a local team of experts from the Iraqi Engineers Union (IEU) to carry out the needs assessment in all 18 governorates. The IEU is a well established, reputable NGO, seen as impartial due to its independence from the public sector and its policy.

It mobilized its national and regional networks of technical experts to ensure that the latest methodologies and gap assessments were used.

The assessment was conducted during a volatile security situation in Iraq, using local experts. Investing in local capacities to carry out the assessment and make additional recommendations was an added benefit. The IEU facilitated the implementation of the assessment with their network in all governorates. By contracting the Iraqi Engineers Union, UNDP and the MMPW were able to invest in developing the knowledge of local actors and their capacity to identify development priorities and tackle them in the future, contributing to national ownership.

Furthermore, it was the first time that a multidisciplinary team held extensive dialogues with local authorities on decentralization issues. According to former project staff, this in itself was an important element for civil servants on sub-national levels to learn more about decentralization and develop an interest in it.

The main constraint faced by the project was the security situation at the time of implementation, which has resulted in delays, with the final project report being finalized in 2007 rather than 2006 as originally planned. Finally, the limited knowledge and understanding of local governance issues among stakeholders required additional work and time. The Country Office has tackled these challenges by being flexible and holding communication lines open with all partners at all times.

Innovation

The project provided a direct response to the 2005 constitutional provision on administrative and political decentralization by examining the capacities of governorates to implement the changes mandated by the Constitution. Given that this represented a shift in the strong centralizing character of the former regime, it was considered a critical issue by the Iraqi Government as well as donors and was firmly anchored

in their agenda as a priority. It was also the first time that governorates had their capacities to provide basic services assessed in such detail, followed up by a concrete Action Plan. ISO standards were recommended for various activities of the Action Plan (see Box 2), which is another interesting innovation in terms of the approach taken by the project.

Box 2: Recommended activities for the governorate of Baghdad, 2008

1. Development of in-house training facilities in accordance with ISO-10015 standard (Quality management – Guidelines for training).
2. Development of electronic platform to enable participation in the e-learning courses currently offered by international professional organizations.
3. Organization of training activities (Face-to-Face and Distance Learning) in the specified areas to strengthen the capacities of the staff in such areas.
4. Starting dialogue and organizing introductory workshops to convince local administrations to adopt and apply quality systems such as ISO-9001:2000 and ISO-14000 for improving service quality and ensuring environmental sustainability.
5. Development of a new system for project management, introduction and application of planning and follow-up system to increase effectiveness of project management offices (PMOs) responsible for the implementation of infrastructure projects.
6. Development of new partnership with private sector to plan and implement some public-private partnerships (PPP) projects in the related fields of service infrastructures.
7. Preparation for the implementation of development projects in coordination with the cooperating research centres such as design and implantation of waste water treatment plants for hospitals, utilization of solar energy in operating water purification compact units in rural areas, etc.
8. Organization of training of trainers programmes for the teachers of vocational schools.

Source: DGTTF Project Report 'Strengthening the Capacity of Local Authorities in the field of Provision of Basic Services, Action Plan 2007-2008, Building Capacity for Local Administration in the Governorate of Baghdad'

¹²Project document 'Post-Constitutional Support to Decentralization and Local Governance Initiatives', UNDP Iraq, 2006.

Catalytic effect

Catalytic projects are defined by the DGTTF guidelines as having 'a high likelihood of receiving support from Government or other governance institutions (including other donors) for scaling up or following up, if the project is successful'.

The DGTTF-funded project Post-Constitutional Support to Decentralization and Local Governance Initiatives was the first project implemented by UNDP Iraq dealing with decentralization, but not local governance. From 2005–2008, the Country Office (CO) did have a project to support mainly public works in municipalities, but the project was designed at the end of 2004 based on the so-called Coalition Provisional Authority (CPA) Order 71. Approved by the CPA in April 2004, Order number 71:2004¹³ determined the responsibilities of governorates, municipalities, and local government, and did not entail any activities based on the administrative and political decentralization reforms called for in the 2005 Constitution. On the other hand, it provided important lessons. For example, while the city of Barcelona was previously chosen as the destination for local officials going on study tours (considering that the Spanish government funded the project and supported the idea of taking Iraqi officials to Spain), it was found that the usefulness of that was limited and that Lebanon, which had a more similar administrative structure, would be a more suitable destination for future study tours.

The DGTTF project received an allocation of USD 100,000 in 2006. At the time when the DGTTF project assessment took place, UNDP Iraq had two main interventions in the area of local development, with elements of local governance: the Local Area Development Programme (LAPD), a joint UN agencies programme for which UNDP had the responsibility for implementing over USD 12 million of the USD 30 million overall budget, and the Support to Decentralization and Local Governance (DLG) Project, with a budget of approximately USD 6 million. This latter project was a direct follow-up to the DGTTF project.

Both of these initiatives involve working with local authorities to strengthen their capacity to plan and manage local affairs more effectively. However, the LAPD was designed to address infrastructure reconstruction, economic recovery and environmental management, all of which were to some degree negatively affected by the various wars and the economic sanctions imposed on Iraq. It is more resource-intensive and addresses issues such as job creation, economic development and 'improvement of social and physical infrastructure using labour intensive approaches'¹⁴.

Moreover, the LADP also works on strengthening institutional capacities in districts and governorates to 'prepare inclusive, participatory and sustainable development plans, improve physical infrastructure and enhance service delivery' and 'institutionalizing of local area/district planning processes through their integration with national and local government planning and development frameworks to ensure long-term sustainability and durability of programme initiatives and approaches'.

To some degree, there is overlap in the objectives and approaches used by the LAPD and the DLG project, since the DLG project aims to achieve the following results:

- ✓ Prepare the groundwork for institutional structures, policy dialogue and development (e.g. preparing a legal framework for the implementation of decentralization reforms, developing standard operation procedures for newly recruited civil servants on local level, etc.);
- ✓ Put in place and initiate a comprehensive capacity development strategy, develop civic education and participation as well as e-governance strategies;
- ✓ Pilot improved business processes for increasing service delivery in selected municipalities (e.g. issuing construction licences, passports, etc.);
- ✓ Support structured dialogue on governorate and municipal affairs.

The initial needs assessment funded by the DGTTF has fed directly into the DLG project, and in addition, the Action Plan was adopted by the Ministry of Municipalities and Public Works as its training plan. Some of the results of the assessment shaped the design of the DLG component under the UN Joint I-PSM programme in terms of capacity development requirements of the local governments. The DLG project is considered by the CO as a preparatory step for a much wider, USD 60 million project on public sector reform, phase 1 of which is due to start in 2010.

The original DGTTF project was therefore deemed by the CO to be financially and substantively catalytic and has strengthened the partnership with the MMPW as well as with governorates. The DLG project is implemented in partnership

¹³ Available at http://www.iraqcoalition.org/regulations/20040406_CPAORD_71_Local_Governmental_Powers.pdf. Last access: 13 January 2010.

¹⁴ UNDP Iraq website, LADP project fact sheet, available at <http://www.iq.undp.org>. Last access: 13 January 2010.

with a number of UN agencies (UN-HABITAT, UNICEF, WHO, UNESCO, FAO, UNFPA, UNIFEM, UNESCWA) and UNDP Programme of Governance in the Arab Region (POGAR), with the UNDP Iraq Country Office playing a coordinating role.

Sustainability

The most telling sign of the sustainability of the project has been the incorporation by the MMPW of the training programmes suggested in the capacity development Action Plan funded by the DGTTF, as its own Training Plan.

Since the Action Plan was presented, five training centres were created where civil servants receive training in modern management skills, strategic planning and conflict resolution. Training of Trainers programmes are regularly held at the training centres, which have been financed by the Government of Iraq since 2008. Trainings have been conducted for officials both from line ministries and local government, and enjoy a high degree of support from the Prime Minister's Office, having received positive coverage in the media. Training needs were jointly identified by the IEU, the MMPW and the representatives of the local government. All questionnaires were developed by the IEU and the MMPW. According to the Director General of Human Resources at the MMPW, important lessons were learned since the first trainings took place. Today, more attention is paid to the selection process for new trainees, and training participants are selected on the basis of their profiles and ability to train others. Priority areas for training are now human resources planning, internal auditing systems, accounting systems, public procurement and negotiation skills.

Relevance and strategic positioning

The project is consistent with the UNCT Sector Outcome on Governance and with the CPA Order 71, which as mentioned above determined the responsibilities of governorates, municipalities, and local government. The Order called for the creation of Governorate Councils financed by the national budget, independent of line ministries. Duties of the Councils included setting priorities for the governorate, supervising the performance of local administrations, implementing donor-funded projects without supervision by line ministries, and confirming or rejecting the nominations of General Directors or other high ranking officials¹⁵. Governorates were not prepared to take over these responsibilities and the need for support in the areas mentioned above was deemed critical.

The UNDP governance portfolio in Iraq had a budget of USD 103.9 million from 2004 to 2009. In this context an investment of only USD 100,000 is of little significance in dollar terms, but the DGTTF project did allow the CO to carry out an important

activity in a highly strategic area. Given the 2005 constitutional provisions on administrative and political entities, and the overall objective of the project to support governorates in better planning and delivery of basic services, the project was clearly relevant and in line with the main areas identified by OECD-DAC donors under the Joint Needs Assessment of 2003 and CPA Order 71:2004 (see pages 2-3).

The project on local governance and decentralization that was later developed based on the DGTTF project is also aligned with the Iraqi National Development Strategy of 2007-2010¹⁶, which enshrines the responsibility of governorates for rehabilitation and service delivery.

The DGTTF project has therefore allowed UNDP Iraq to promote strategic activities in the area of local governance and decentralization by providing UNDP with invaluable data about the capacities on local level to fully implement legislation consistent with the newly adopted 2005 Constitution.

Lessons learned

1. The Iraqi case confirms the relevance of the DGTTF to crisis countries.

As the Iraqi case illustrates, relatively small financial allocations from the DGTTF to support innovative projects can nevertheless be of high significance in conflict-affected crisis countries, even in contexts with a large governance portfolio such as Iraq. When rightly targeted, small-scale interventions funded by the DGTTF can open up new avenues and be instrumental in building larger development interventions. Due to its specific nature, the DGTTF provides an important funding window for innovation, with advantages over other types of funding mechanisms, such as rapid disbursement, and acceptance that as an innovative initiative, the project is considered as a high-risk investment that may not succeed.

2. Using local expertise, when available, promotes national ownership, sustainability and the development of local capacities.

By resorting to local experts (i.e. the Iraqi Engineers Union) and relying on their expertise to carry out the countrywide needs assessment, the UNDP and its national counterpart

¹⁵ Nationwide needs assessment of the capacity of the 18 Iraqi governorates in Local Governance, Provision of Local Services to Improve Quality of Life, Final Report, August 2007. (Project report)

¹⁶ Available at http://www.trade.gov/static/iraqi_pdf_nds.pdf Last access: 13 January 2010.

were able to implement the assessment despite the highly volatile security situation. As a local NGO with a trajectory of professionalism and independence from the public sector, and due to its well rooted and wide network, the implementing agency had a critical comparative advantage over external consultants in terms of gathering data on the ground and making recommendations that take into account local realities and aspirations.

Local experts had the opportunity to put into practice the latest methodologies and gap assessments, while becoming more familiar with governance issues at large - and more specifically decentralization and service delivery at the local level. The enhancement of the local capacities of this NGO also resulted in UN agencies utilizing the services of their technical staff to carry out similar types of work.

3. Early recovery and reconstruction can provide entry points for support for local governance and decentralization preparedness.

When thoroughly planned and conducted, early recovery and reconstruction interventions tend to forge bonds between the intervening agency and local populations, authorities and other national stakeholders that facilitate the support of local governance and decentralization processes. In conflict-affected countries, engaging with local actors at the early recovery and reconstruction phase on projects aimed at restoring basic services or infrastructure provides opportunities for building trust and relationships, both intangibles of key value for later interventions in more sensitive governance areas.

By providing a needs assessment of the capacity of the governorates to deliver services, and linking it to existing legal and analytical frameworks as well as by engaging local stakeholders, the DGTTF project in Iraq managed to ensure the relevance and sustainability of an enterprise in turbulent times for a country struggling to build peace and a stable state.

Annex I – Codification of tools and instruments used

- ✓ Provision of Local Services to Improve Quality of Life. Nationwide needs assessment of the capacity of the 18 Iraqi governorates in local governance.
- ✓ Strengthening the Capacity of Local Authorities in the Field of Provision of Basic Services. Action Plan 2007 – 2008.
- ✓ Recommendations for the Design and Establishment of a Pilot Centre of Excellence (COE) on Local Governance. Feasibility Study Report.

Annex II – List of persons interviewed

Yelmaz Abbas, Director General of Human Resources and Acting Inspector General, Ministry of Municipalities and Public Works

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Maha Al-Nuaimy, Programme Officer, UNDP

Sylvia Fletcher, Governance and Civil Society Team Leader, UNDP

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Elballa Hagona, Deputy Country Director, UNDP

Nadine Hamadeh, Administrative & Finance Assistant, UNDP

Sudipto Mukerjee, Head, Economic Recovery & Poverty Alleviation Office, UNDP

Kent Paulusson, Senior Mine Action Advisor, UNDP

Sinan Shakir, LADP Coordinator/Basrah, UNDP

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