Participating UN Organisations: UNDP **Sector: Governance**
Government of Iraq – Responsible Line Ministry: Ministry of Planning and Development Coordination, The Central Statistical Organizations, Ministry of Municipalities and Public Works, National Center for Consultancy Management Development

Title	Support to Decentralization and Local Governance for Service Delivery-Preparatory Phase
Geographic Location	Three governorates for pilot implementation in the north, center and south of Iraq
Project Cost	USD 6,118,704
Duration	December 1, 2008- June 8, 2011

Approval Date	4 Dec 2008	**Starting Date**	8 Dec 2008	**Completion Date**	8 Jun 2010 (extended 08 Jun 2011)

Project Description	The project entails a UN and Government of Iraq effort to begin to realise decentralized governance in Iraq, as envisioned in the Constitution, NDS 2007-2010 and the ICI. The project proposed covers an 18 month period and structured around four pillars: (i) legal, policy and institutional frameworks for decentralized governance, (ii) local government systems and capacities, (iii) civic education and participation strategies in three governorates, and (iv) inter-governmental relations and local government networks. Through these four pillars with their inputs, the project aims to: i) prepare the groundwork on institutional structures, policy dialogue and development and possibly further legislations and will clarify and enable decentralization and local governance; ii) revise systems and processes for local authorities to make them more modern and efficient; iii) put in place and initiate a comprehensive capacity development strategy; iv) develop civic education and participation and e-government strategies; v) pilot improved business processes for increasing service delivery in selected municipalities and vi) support structured dialogue on government and municipal affairs.

Development Goal and Immediate Objectives

This preparatory project is aligned to the UN Governance Sector Team Outcome of 'Strengthened regulatory frameworks, institutions and processes of national and local governance'. The goals are:

NDS: Goal 6.1: Improve the quality of life: Human Development; Goal 7.2: Regions and governorates development: Annual allocations and distributions to governorates; Goal 7.3: Development management in regions and governorates;

ICI: 4.1.2: Develop framework for inter-governmental fiscal relations to ensure efficiency, transparency and equity while maintaining national fiscal integrity. 4.2.1: Engaging with civil society –adopt and carry out policies to stipulate civil society engagement in reforms. 4.4.1: Delivering basic services.

MDG: The project contributes directly towards MDG 3 – Promote gender equality and empower women, and indirectly to the achievement of all the MDGs, through support to improved social service delivery at the Governorate level.

Outputs, Key activities and Procurement

O U T P U T S	Output 1: Framework, legislation and policies for decentralisation and local governance developed through multi-stakeholder process. Output 2: Generic systems in policy-making, participatory planning and budgeting, data collection, human resources management and organisational management developed and core competencies of decentralised governance stakeholders improved in selected governorates. Output 3: Civic education and participation strategies in three governorates produced with evidence of participation from all sectors of communities.(This output has been shifted to the I-PSM. (When it became clear that a greater focus was required in preparing a framework for decentralisation and core competences (Output 1.1 and 1.2) the project activities associated with Output 1.3 and 1.4 were deferred for inclusion in the forthcoming I-PSM)

	Output 4: Vertical and horizontal inter-government relations formalised with discussion forums in place and partnerships with international/regional municipalities created in selected governorates. (This output has been shifted to the I-PSM)

The scope of the current project has been changed, and the following outputs have been introduced which replaces the original outputs 1.3, and 1.4:

1.3 Groundwork for reform and modernization of government at national and local levels to enable decentralization of service delivery in three key sectors: Health, Education, WATSAN.

1.4 Improve operational and organizational effectiveness with specific focus on developing credible Supreme Audit Institution (SAI) for Foreign Aid and Grants Management through strengthening the capacities of the professional staff of the BSA satellite office in 6 governorates providing auditing functions for the local authorities aims at reducing waste in public funds, and assisting in combating corruption and improving local government government efficiency. |
| **A C T I V I T I E S** | 1.1.1: Develop baseline study on local governance covering the Iraqi governorates with data diaggregated by gender (UNESCWA under IAA with UNDP))
1.1.2 Define and develop decentralization framework, with active government leadership and multistakeholder process (UNESCWA under IAA with UNDP)

1.1.3 Produce 'decentralisation toolkit', and key discussion papers and disseminate (UNHABITAT under IAA with UNDP)
1.1.4. Undertake scoping studies and prepare reports on decentralizsing key public and planning functions
1.1.5 Support est'd of Decentralisation and Local Governance Task Force and Municipal Association. (inc. meetings, roundtables and stakeholder consultations in at least 3 governorates); prepare for 4-day national visioning exercise (Jointly by UNDP and UNHABITAT)
1.1.6 Organise a National conference platforms for action on decentralization and LoG (with public sector reform project) UNDP/UNESCWA
1.1.7 Support drafting of e-government strategy and action plan. UNDP
1.1.8 Implementation of key components of the e-governance action plan. UNDP
1.1.9 Establish Dec and LoG Task Forces in targeted governorates
1.1.10 Support the development of mandates, role and responsibilities for local authorities as a result of findings of the indepth assessment. UNDP/UNESCWA
1.1.11 Provide TA to the TF at the governorates level when established

1.2.1 Develop and introduce comprehensive capacity development strategy that addresses short- and medium-term requirements
1.2.3 Feasibility study for establishing a dedicated training institute for local government
1.2.4 Pilot urban service delivery initiatives in 3 municipalities in 3 governorates (review business processes, trainnig 160 staff introduce e-services, ppp)

New Activities:
1.3.1:
Number of technical and analytical documents to inform policy dialogue on Decentralization and LoG and PSM produced.

1.4.1 Review and assess current BSA organization structure including BSA satellite office in six governorates with the view to identify weakness and means of strengthening the organization by providing recommendations on how to improve the effectiveness and the efficiency of the operation, manpower and IT structure.
1.4.2 Assess BSA efficiency and effectiveness of accounting issues related to foreign aids accounting and auditing. Then provide the necessary training by other SAI such as NAO to bring BSA to the International Standard, thus creating local expertise in the field and finally develop a manual on "Auditing Foreign Aid".
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| **Procurement:** Contract has been awarded to the Geopolicity in December 2009 to carry out the Functional Assessment | |

(USD 1.4 million), and no cost extension made to the contract.

Funds Committed	USD 6,118,704	% of approved	100 %
Funds Disbursed	USD 3,660,702	%55	
Forecast final date	No cost extension has been obtained (8 June 2011)	Delay	12 months

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	260	50%
Women	60	30%
Children		
IDPs		
Others		
Employment generation (men/women)	The project is not directly concerned with employment generation but with the human resources of local councils and the gradual decentralising of the public service which would entail re-profiling in line with overall civil service reform.	

Quantitative achievements against objectives and results   % of planned

Output 1.1: Framework, legislation and policies for decentralisation and local governance developed through multi-stakeholder process.	(a) Further to reaching consensus on the content and detailed components of the Baseline Study and Assessment, field research were performed and completed by all four national partners. in addition to developing a preliminary draft of the legal study and the e-government assessment. (b) Preliminary reports highlighting findings and conclusions were developed, presented and discussed during the Fourth Coordination meeting that took place in Amman, Jordan on 27-28 July 2010. The coordination meeting allowed partners to identify substantive and administrative constraints delaying the finalization of the reports. Major constraints noted were (1) the difficult access to field data, (2) the security concerns hindering the timely implementation of field assessments, and (3) coordination issues among Baghdad and KRG based implementing partners. c) A Final Coordination Meeting was performed in Beirut-Lebanon on 23-25 September 2010 and constituted a forum for implementing partners and present UN agencies to appraise and feedback on the final drafts presented. In-depth reviews were performed and the meeting yielded a series of recommendations that are to be taken into consideration by the national counterparts in order to improve the quality and comprehensiveness of the reports. Refer to *Major Activities Highlights* section for further details on the recommendations. (d) The outcomes of the Situation Analysis on Decentralization and Local Governance will be the main and primary component of the national conference, with particular emphasis on the proposed recommendations that would serve as the basis for developing an action plan for involved national and local stakeholders (e) An MOU between HABITAT and the Iraq Local Government Association (ILGA) was signed to jointly host a Conference on Decentralisation and *prepare a Toolkit based on C*onference papers and proceedings.	80
Output 1.2: Generic systems in policy-making, participatory planning and budgeting, data collection, human resources management and organisational management developed.	-Training of 26 Master Trainers at both federal and local levels, conducted and a curriculum on e-governance with five initial modules was conducted. The modules covered E-governance framework: an overview; E-governance strategy; E-governance planning; E-governance implementation and management of change.	98
	- Discussion of potential pilot programme areas including arrangements for decentralisation of maintenance budget and responsibilities for school buildings, performance management in SWM systems, Mapping/strategic spatial planning, citizen information/public grievances initiatives. Decision made to focus pilots	20

	(and associated capacity building assessment and activities) in the WatSan sector.	
1.4 (Original output) Vertical and horizontal inter-government relations formalised with discussion forums in place and partnerships with international/regional municipalities created	❖ The only activities under this output have been: a-The "Exchange and Networking Visit" organized for a group of approximately 20 Iraqi ministerial, municipal and local government staff who were exposed to success models in "urban management and planning", "resource management and service delivery at the local level", "public services management" with particular emphasis on "local governance" and participatory practices in planning processes. The participants were also introduced to success models on improving the workflow and internal processes with the aim of deconcentrating decision making and improving delivery of essential services, and on the other hand strengthen the planning and management capacities needed to infuse "innovative" local governance practices. b-City-to-City Cooperation Arrangements: Research and contacts have been initiated at the regional levels to identify the most suitable cities that could ensure a sustained and facilitated cooperation with selected Iraqi cities,. The rest of the activities under this output have been shifted to the I-PSM project.	20
Output 1.3 (Replacing original output 1.3):: Groundwork for modernization of national and local gov't to enable decentralization of service delivery in Health, Education, WATSAN.	-Rapid Assessment on Education Sector by UNESCO. -The project has significantly contributed to the development of the Public Sector Modernization Joint-UN Programme, the largest and most comprehensive joint programme ever undertaken by the UN in Iraq, and the largest programme approved by the ITF. -The five scoping studies were translated into Arabic, circulated and discussed with the Government Task Force.	80
Output 1.4 (replacing the original output 1.4) developing credible Supreme Audit Institution (SAI) for Foreign Aid and Grants Management and combating corruption and improving local government efficiency		0

Qualitative achievements against objectives and results

-Created synergies with the Public Sector Modernization programme through the preparatory work in relation to the scoping studies carried out under the project, which also led to the design of the PSM programme.

-UNDP led the UN working team, and Government Task Force meetings to discuss the sectoral scoping studies, and comments were integrated into the draft studies.

-A roll out training on e-governance was launched, and master trainers were awarded certificates, as part of the UNDP support to the implementation of key component of the e-Governance Action Plan.

-The mass training of e-governance will be undertaken by the e-governance ministerial steering committee and already initiated in many training hubs across Iraq, targeting some 500 government officials for the next 3 months.

-Alexandria has been selected as one of the potential cities in the middle-east region due to its successes in promoting local governance and enhancing service delivery at the local level, in addition to its notable public participation

programmes;

Main implementation constrains & challenges (2-3 sentences)

The major activities under outputs 1 and 2 have been delayed due to lengthy and tedious process of reaching a common understanding and consensus on the framework and scope of the situation analysis on local governance and e-readiness assessment in Iraq with national implementing counterparts, which resulted in the repeated revision and fine-tuning of the TOR. In addition to delays in the recruitment of the required consultants by some UN implementing partners to carry out their relevant activities.

The overall progress of the project has been affected by the lenthy consultations/discussions undertaken for the I-PSM programme, and the decision to integrate the Decentralisation &Local Governance programme into the I-PSM. As a result, the D&LoG preparatory project was revised, and Outputs 3 and 4 of the project were shifted to the I-PSM. The scope of the project was changed, and additional outputs and activities were introduced.

Change in the leadership of some of the key national implementing partners during a critical timing for the project and it affected directly the commitments and in some cases the substantive agreements reached previously with the initial leadership.

The involvement of some of the key national implementing partners, namely COSIT and KRSO, in the implementation of the national census, resulted in delays in the implementation of their components and heavily impacted the timely delivery according to the set and agreed upon timeframe.