- 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 Decentralisation and Local Governance for Service Delivery-Preparatory Phase
Geo. Location	Three governorates: Baghdad, Erbil and Basrah for pilot implementation in the north, central and south of Iraq
Project Cost	USD 6,118,704
Duration	18 months

Approval Date	04.12.2008	**Starting Date**	08.12.2008	**Completion Date**	08.06.2010 extended until 08.06.2011

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 is 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. This may, include further legislations to clarify and enable both decentralization and local governance; ii) revise local authorities systems and processes to make them more modern and efficient; iii) put in place and initiate a comprehensive capacity development strategy; iv) develop civic education, 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

Project Outcome: GOI and relevant decentralization partners have relevant institutional mechanisms in place to implement decentralized policies and programmes.
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 1.1: Framework, legislation and policies for decentralisation and local governance developed through multi-stakeholder process. Output 1.2: 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 1.3: 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 Iraq Public Sector Modernization Programme. Output 1.4: 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 Iraq Public Sector Modernization Programme. 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 Outputs 1.3 and 1.4 were deferred for inclusion in the Iraq Public Sector Modernization Programme (I-PSM) programme. The scope of the current project has been changed, and the following outputs have been introduced which replaced the original above outputs 1.3, and 1.4: 1.3 Groundwork for reform and modernization of government at national and local levels to enable decentralisation 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 Board of Supreme Audit satellite offices in six (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 efficiency.
A C T I V I T I E S	1.1.1 Develop baseline study on local governance covering the Iraqi governorates and municipal councils with data disaggregated by gender (UNESCWA under IAA with UNDP); 1.1.2 Define and develop decentralisation framework, with active government leadership and multi-stakeholder 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 decentralising key public and planning functions; (UNDP) 1.1.5 Support of Decentralisation and Local Governance Task Force and Municipal Association: Including 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 platform for action on Decentralisation and Local Governance (with public sector reform project) (UNDP and 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 Decentralisation and Local Governance Task Forces in targeted governorates (UNDP)
	1.1.10 Support the development of mandates, role and responsibilities for local authorities as a result of findings of the in-depth assessment. (UNDP/UNESCWA)
	1.1.11 Provide TA to the TF at the governorates level when established. (UNDP)
	1.2.1 Develop and introduce comprehensive capacity development strategy that addresses short and medium-term requirements. (UNDP)
	1.2.3 Feasibility study conducted for establishing a dedicated training institute for local government (UNDP).
	1.2.4 Pilot urban service delivery initiatives in 3 municipalities in 3 governorates including a review of business processes, training 160 staff, introduce e-services and Private-Public Partnership.
	Change in Scope-**New Activities:**
	1.3.1: Number of technical and analytical documents to inform policy dialogue on Decentralisation and Local Governance and public sector modernisation produced.
	1.4.1 Review and assess current Board of Supreme Audit (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 Supreme Audit Institutions (SAI) such as National Audit Office of United Kingdom (NAO) to bring BSA to the International Standard, thus creating local expertise in the field and finally develop a manual on "Auditing Foreign Aid".

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 3,241,116	**% of approved**	52%
Forecast final date	Extended until 8 June 2011	**Delay (months)**	12 months

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	**300**	**57%**
Women	**75**	**40%**
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
Output1: Framework, legislation and policies for decentralisation and local governance developed through multi-stakeholder process.	- UNESCWA has finalized the situation analysis on local governance in addition to the e-readiness internal assessment. This has been achieved through an organized seminar in Baghdad that was conducted in 27 November 2010 which aimed to perform preliminary validation of the reached conclusions. This resulted in a set of recommendations on ways forward regarding major limitations and gaps hindering the decentralised process in Iraq.	100%
	- UNESCO completed the information gathering and rapid assessment, with focus on legal framework and structure, within the Education Sector. This has been achieved in coordination with respective ministries, MoE and MoHESR.	95%
	- Draft MoU was finalized between UNHABITAT and Iraq Local Government Association (ILGA). A Detailed work-plan and budget breakdown prepared for the Decentralisation and Local Governance Conference.	15%
	- A joint deliverable process was facilitated by UNICEF/UNESCO focusing on the education deliverables "Education and WATSAN Placemats".	
	- Discussions made between UNICEF and GoI Key Education Officials on the re-creation of NEIS committee as education Ministerial Advisory Committee (MAC). Letters have been sent to the Deputy Prime Minister in both GoI National and KRG.	
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.	- Successful e-governance portal training conducted in Amman 20-23 December 2010 as agreed with E-Gov Ministerial Steering Committee to build the managerial and technical capacity in portal and web-content management following best practices and international standards.	98%
	- Administrative and logistical preparations by ESCWA have started for the National Conference on Decentralisation and Local Governance, anticipated to take place in Erbil-Iraq in April 2010. The implementation of this activity is contingent on the completion in the formation of the Iraqi government including naming of Ministers. ToRs for the conference implementation have been developed.	23%
	- A joint facilitated engagement between UNICEF and UNESCO to scope out the draft work plans on identifying all related components of a functional review, this included the education sector policy reforms needed to implement a new service delivery model.	40%
	-UNICEF and UNESCO worked jointly to finalise the draft work	

	plans on identifying all related components of a functional review, this included the education sector policy reforms needed to implement a new service delivery model.	12%
	- To ensure coordination of efforts across all three programs; discussions were initiated between GoI, UNICEF and UNESCO on the most productive approach to align the functional review and service delivery analysis in Basic, Secondary and Higher Education.	
	- Concrete progress by was made by HABITAT in leadership training for elected representatives in Diwania Province. Potential resource persons were identified during a meeting held in Cairo 12-14 December 2010.	
Output 3; Partnerships and linkages established with regional and international municipalities and knowledge networks 1.3 Groundwork for reform and modernization of government at national and local levels to enable decentralisation of service delivery in three key sectors: Health, Education, WatSan.	ESCWA has developed the City-to-City Cooperation Arrangements/Twinning Agreements - Contacts were initiated with the Governorate Alexandria in Egypt to host a networking and twinning visit in early January 2011 as the Governorate was identified as good practice 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. - Invitations were issued to three governorates in Iraq, namely Baghdad, Basrah and Erbil. The twinning visit is anticipated in 1st Quarter 2011 and is expected to yield several future twinning agreements between selected Governorates in Iraq and the Governorate of Alexandria.	85%
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	Negotiations and arrangements of the BSA component are underway	**0%**

Qualitative achievements against objectives and results
-Synergies were created with the Iraq-Public Sector Modernization Programme through the preparatory work in relation to the studies carried out under this project. This action also led to the design of the Public Sector Modernization Programme. -UNDP led the UN Working Team, and Government Task Force meetings to discuss the sectoral scoping studies, with comments integrated into the draft studies.

-Portal training on e-governance was launched 20-23 December 2010 as part of UNDP's support to the implementation of key components of the E-Governance Action Plan.

- Detailed Terms of Reference (ToRs) were developed by ESCWA for the National Decentralisation and Local Governance Programme Conference that proposed a substantive framework to guide the preparatory work. ToRs were discussed with UNDP Iraq and other involved UN partners, namely UN-Habitat, who provided positive feedback and reviews.

- The Governorate of Alexandria Egypt was selected as a governorate of good practice 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. Coordination was initiated.

- A seminar on the Situation Analysis on Local Governance and E-Readiness was launched on 27 November 2010 in Baghdad Iraq. The Seminar gathered 27 senior decision makers, 11 of whom were females, from the central and local governments alongside academics and civil society. One of the most important outcomes was that the seminar process allowed the inclusiveness of inputs from the Iraqi Local Governments Association, the consultative and coordinative body gathering Governorates Councils in Iraq.

- The section of the internal assessment focusing on the Ministry of Higher Education and Scientific Research has been completed.

Main implementation constraints and challenges (2-3 sentences)

The lengthy process of government formulation seriously affected the implementation of this project.

The major activities under Outputs 1 and 2 were delayed due to a lengthy and tedious process of reaching a common understanding and consensus on the framework and scope of the situation analysis on local governance and the e-readiness internal assessment in Iraq with national implementing counterparts. This process resulted in multiple revisions and fine-tuning of the TORs. In addition there were 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 lengthy consultations/discussions undertaken for the Iraq-Public Sector Modernisation Programme (I-PSM) and the decision to integrate several components of the Decentralisation and Local Governance Programme into the I-PSM. As a result, the Decentralisation and Local Governance Programme was revised, and Outputs 3 and 4 of the project were shifted to the I-PSM. The scope of this project was changed, and additional outputs and activities were introduced.

The change in leadership of some of the key national implementing partners during a critical period of the project, had a direct affect on the commitments and substantive agreements previously reached with the initial leadership.

The involvement of some of the key national implementing partners, namely COS (formerly COSIT) and KRSO in the implementation of the national census, resulted in implementation delays of their components to this project which heavily impacted the timely delivery within the set and agreed timeframe.