END OF PROJECT REPORT

(UN emblem)	(UNDP logo) Iraq

IRFFI/UNDG IRAQ TRUST FUND (UNDG ITF)

REPORTING PERIOD: 1 JANUARY 2006 – 31 DECEMBER 2009

Submitted by: Richard Cox Programme Manager richard.cox@undp.org Office Tel: 00 962 6 5608330	***Country and Thematic Area:*** *Iraq* Governance

Programme No: C9- 12 *Atlas Award No:* 54947 ***MDTF Office Atlas No.:*** 66947 ***Programme Title:*** Support to Government of Iraq in International Assistance Coordination and Capacity Building	***Participating Organization(s):*** UNDP

Implementing Partners: MoPDC, Provincial Councils in Basra, Muthanna, Missan, Thi Qar, MoP KRG, UNOPS	***Programme Budget (from the Fund):*** UNDP : **USD 2, 643,000**

Programme Duration (in months): 48
Start date: January 2006
End date: November 2007
- *Revised end date: 30 December 2009*
- *Operational Closure Date: 31 December 2009*

Budget Revisions/Extensions:
The project was subject to four addenda during its lifetime. To summarise:
Addendum 1: Extension of project duration from November 2007 until May

2008 with budget revision.
Addendum 2: Extension of project duration from May 2008 until November 30, 2008
Addendum 3: Extension of project from November 2008 to 30 June 2009
Addendum 4: Extension of Project from 30 June 2009 to 31 December 2009.

NARRATIVE REPORT

I. Purpose

Appropriate mobilization and management of internal and external financial resources is a cornerstone of progress and development, especially in a country that is recovering from years of misrule, conflict and continuing security challenges, such as Iraq. Over the past years Iraq has received very large amounts of development assistance. Efficient management of these resources has the potential to boost the socio-economic development and reconstruction of the country significantly. However, this requires the improvement of several components of the aid management process, including aid tracking, allocation, monitoring and performance evaluations, as well as internal and external collaboration.

The Ministry of Planning and Development Cooperation (MoPDC) plays the lead role in formulating and implementing Iraqi aid management policy. An important area of support is therefore to strengthen the International Cooperation Directorate (ICD) of the MoPDC by ensuring that the ICD possesses a clear mandate, is efficiently structured, follows effective procedures, and is adequately resourced with skilled staff and modern equipment.

The Government of Iraq subscribed to the Paris Declaration on Aid Effectiveness in 2008, enhancing the mechanisms for international cooperation toward the objectives of strong Iraqi capacity for aid management, in the framework of the reciprocal pledges that aid recipient and aid providing countries undertake.

This project covers all dimensions of aid coordination that are grouped within the following main categories*: institutional arrangements*, *technological support* and *knowledge transfer and skills development.* Significant progress towards the establishment of aid coordination capacities within MoPDC has been achieved so far. This includes setting up the Donor Assistance Database of Iraq hosted by MoPDC, training of 12 officials with both management and technical profiles, the establishment of an Aid Coordination Unit within MoPDC, and the supply of equipment for the secure and uninterrupted operation of the DAD and the ACU. Further support is envisaged in designing and implementing data collection procedures from both donor and Government agencies and assisting in the interpretation and presentation of this data in DAD.

During the implementation of the project "Support to MoPDC" and in discussions with the MoPDC, the need to continue UNDP's intervention has been clearly identified. This assistance will focus on ensuring: (*a) A government-wide coverage of all dimensions of aid coordination*; *(b) Decentralization of aid coordination activities both in sectoral and regional dimensions; (c) Sustainability of the solutions proposed in terms of technology and administration*; as well as *(d) Transparency and accountability of Government-led aid coordination processes*.

This project should be considered as a first, pilot phase of a comprehensive framework of on-line presentation of data from ministries and governorates in the above described context. Further expansion of this framework can be designed and implemented based on the results and analysis of the objectives and outcomes achieved at the time of this first phase completion.

Objective: The overall objective of this project is to assist the Government of Iraq in establishing a comprehensive inter-ministerial, decentralized (throughout the regions), sustainable, transparent and accountable aid management system, based on multidimensional capacity building both at the federal Government and regional/sub-national levels.

Relevant to the following benchmarks:

- *UN Assistance Strategy for Iraq,*

The project is aligned with the UN Assistance Strategy for 2005-2007 and for 2008-2011, specifically addressing the needs of strengthening institutional, policy development and ICT capacities of Government of Iraq, both at the federal and local levels, by establishing an effective aid management framework, functioning across the ministries and regions.

- *UN Millennium Development Goals,*

This project aims at strengthening the institutional, administrative and technological capacity of the Government of Iraq, which is an important precondition for sustainable human development. As such, the project addresses one of the priorities of UN intervention and ultimately contributes towards achieving the MDGs in Iraq, namely poverty eradication.

In addition, the project directly contributes towards the 8th Millennium Development Goal (MDG) to: *"Develop a global partnership for development",* however, successful implementation of the Project will also indirectly contribute to all of the MDGs in Iraq.

- *Iraqi National Development Strategy*

Aid management and donor coordination are major priorities for the Government of Iraq, as articulated in the Iraqi National Development Strategy (NDS 2008-2011) and International Compact With Iraq (ICI), in particular due to the unprecedented scale of international support to Iraq's reconstruction and development.

Indeed, the Project directly contributed to the overarching goals and objectives of the International Compact for Iraq (ICI), as stated in the Resolution itself:

*"The Government of Iraq and the International Community are determined to strengthen their **partnership** to improve the lives of the Iraqi people"[1].*

*"4. Accept that such reforms can only be realized through substantive **international engagement and cooperation and investment** that bridges the gap between Iraq's needs and its capabilities in the medium term. Such assistance may include the granting*

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[1] International Compact for Iraq, p5, [emphasis added]

of debt relief to Iraq by creditors at least on comparable terms to the Paris Club Agreed Minutes of November 2003; the provision of grants, loans and technical assistance; the provision of assistance with capacity building; and any other forms of assistance which may be agreeable to both parties;"[2]

The National Development Strategy (NDS) for Iraq, 2007-2010, makes reference to some of the challenges to aid effectiveness experienced in the past in Iraq that the project sought to address:

"Most of projects were chosen by the Donors without considering NDS priorities and without taking the approval of MOPDC as the official entity concerned with setting the priorities of reconstruction projects… Most of Iraq reconstruction projects executed by the Donors didn't follow the national or local regulations and instructions."[3]

The NDS however goes on to emphasise the importance of aid effectiveness to achieve national development goals:

*"Implementing the National Development Strategy effectively will require significant resource transfers from our development partners. **Improving on donor coordination is essential for the effective use of foreign resources"[4]***

II. Resources

Financial Resources:
UNDP contributed from TRAC resources $100,000 in 2008.
One ITF budget revision was conducted to reflect an increase of $300,000 in 2007

Funds Received by UNDP	2,647,000 USD (ITF) 100,000 USD (UNDP TRAC)	**% of approved**	100 %
Funds Committed by UNDP (included open POs)	2,574,224 USD (ITF)	**% of approved**	97%
Funds Disbursed by UNDP	2,473,140 USD (ITF) 95,452.50 USD (UNDP TRAC)	**% of approved**	93.4% 95.5%
Expected Final date	31 December 2009 Operationally, leaving one year for financial closure		

Considerable security constraints have been encountered. These constraints particularly impeded the access of project staff into Iraq and also limited the availability of counterparts outside of Iraq, causing substantial delays to capacity development.

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[2] ibid. [emphasis added]
[3] National Development Strategy, 2007-2010, p19-20
[4] ibid, p106 [emphasis added]

The implementation of training programmes outside Iraq (mainly in Jordan) led to substantial increases in costs that also posed significant constraints on implementation. An analysis of costs shows that, for instance, the training costs for one person/day in Jordan for short-term training courses (5-10 days) varied from US$ 500-600 an increase of at least 20% compared to end 2005. The Internet connectivity contracted in early 2006 for US$ 3,500/month, now costs US$ 4,500-5,000/month, which is an increase of almost 30%. The professional services (technical assistance, monitoring, performance assessment and training) of Iraqi-based companies prorated for one consultant, cost US$ 15,000/person/month. It was for this very reason that UNDP particularly refrained from contracting such companies in Iraq and, instead, local consultants were hired in Jordan, which deliver the required services on-line. These actions were successful to minimise added expenditure, however, the implementation time was also increased as a result.

The high turnover of staff within the Government of Iraq was an initial impediment to the momentum of the project. Capacity building activities in general management and aid management domains were carried out in accordance with the plan, and more staff were trained than actually required in order to mitigate this issue. This approach has proved to be effective as the staff eventually designated in the ministries were selected from the people that had undergone extensive capacity building on the basis of aptitude and long term commitment.

Human Resources:

National Staff & Consultants

During the first half of the project (2006-2007), one part-time national consultant, and e-government specialist, was employed part-time on the project. In addition, administrative support to the project was provided by a project associate from the Governance Team.

During the second half of the project (2008-2009), one full-time national officer, an e-government specialist, and one dedicated project associate were employed to support the project.

During a six-month period in 2008, an aid effectiveness specialist was employed by the project in order to support the endorsement of the Paris Declaration on Aid Effectiveness and provide capacity development support to the project.

Consultants from contracted software providers, especially Synergy, were utilised throughout the project to ensure the capacity development of the counterparts in the GoI in technical areas such as the DAD system management and portal management.

International Staff

During the first half of the project (2006-2007), one international project manager was employed by the project. In March 2008, the project manager departed for a new post

with UNDP Somalia prior to the recruitment of a successor in UNDP Iraq. A new project manager was successfully recruited in August 2008, five months after the initial project manager had left.

The impact of this gap was mitigated by leadership from a Programme Manager from the UNDP Governance Team, who was responsible for a similar project to build the capacity of the MoPDC, and also by the Aid Effectiveness Specialist international consultant.

The UNOPS component was managed by the international Project Manager who was not funded by the project. The UNOPS component of the project funded only one national staff in Basra and one national project assistant in Amman for the period of one year (July 2005 – July 2006) and partially contributed to the salary of the Liaison Officer in Kuwait.

III. Implementation and Monitoring Arrangements

Implementation mechanisms utilized:

The implementation modality used for this project is direct execution (DEX). Where possible, national contractors were used to deliver the project activities on the ground in Baghdad and Erbil. This specifically relates to hardware and software delivery, on-the-site training and creating remote access internet connectivity to enable uploading, installation and technical support of specialized DAD products from outside Iraq.

For the project components implemented in the Southern Governorates, SIC's services and UNOPS national staff were used for collaboration with provincial councils in data collection, validation and analysis. The training for the provincial councils and SIC was held in Erbil.

However, activities related to capacity building in the areas where Iraqi national expertise was not relevant were implemented outside Iraq, mainly in Jordan. Even though these implementation mechanisms were assumed and planned from the beginning of the project, the deteriorating security situation in Iraq caused delays in reaching overall project objectives on time.

Procurement procedures utilised:

Standard UNDP and UNOPS procurement procedures were used, without variances.

Monitoring systems utilized:

Remote access technologies were used to monitor physical progress on DAD products development and use in Iraq. Apart from this, a number of planning and performance assessment and reporting workshops have been organized in Amman, with participation

of key Iraqi ministries and parts of the donor community to review and register major milestones achieved and register any discrepancies or problems.

Assessments, evaluations and studies undertaken:

Attached is a copy of an internal evaluation of the project undertaken in August 2009, giving details of the successes and constraints experienced by the project, as well as recommendations for future action until project closure. Of the thirteen recommendations made at the time, twelve were successfully implemented, with only the 'training for the MoP KRG technical team on advanced DAD management' missing due to the funds needing to go to financing the KRG ERMU internet service and staff prolongation that could not be covered by the national budget.

An Aid Management Brochure from May 2008 was produced to highlight major achievements and to demonstrate the renewed communications with donors and other stakeholders during the latter stage of the project (please see attached).

An external evaluation of the project is currently taking place (March-April 2010).

IV. Results

Results overview:
Institution Building: A direct and sustainable impact of the project is the establishment of the International Cooperation Directorate (ICD), responsible for coordination, planning, monitoring and evaluation of grant-supported development projects. The ICD is comprised of four units, the Project Analysis Unit, responsible for screening and appraisal of development projects, a Monitoring and Evaluation Unit, responsible for tracking project progress, a Donor Relations Unit, responsible for communication with the donor community, and a Development Assistance Database (DAD) Unit, responsible for information management and maintenance of the DAD system. With UNDP support, a regional equivalent institutional structure, the External Resource Management Unit (ERMU), has also been developed for the Ministry of Planning of the Kurdistan Region.

Capacity Development: A large number of training sessions have been delivered, including computer and IT skills, aid management core skills, strategic planning, and project appraisal and screening. The skills acquired from these sessions have been put into practice by the MoPDC through initiatives such as the Iraqi Strategic Review Board (ISRB), the successful transfer of ownership and management of the DAD Iraq system and the launch and maintenance of the MoPDC web portal. The most recent training initiative on aid management led to a number of recommendations to continue the progress and ensure long-term sustainability.

Rolling Out the DAD: A key component of UNDP's support has been the successful implementation of the Development Assistance Database (DAD) (accessible via www.mop-iraq.org), an aid management system owned by the MoPDC that currently

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tracks almost 20,000 development projects inside Iraq. A recent notable achievement was the launch of a subset of DAD Iraq in the KRG in February 2008. The DADs are managed independently by the MoPDC and the MoP KRG with technical support from Synergy. The sustainability of the DAD management is therefore ensured, at least in the medium term.

The utility of DAD Iraq as an aid information management system is reliant on the completeness and timeliness of the data provided by donors. There are three stages during the project lifecycle when DAD Iraq should be updated:

1. Start of project: All projects should be appraised and approved by the Government of Iraq prior to commencement and core details entered into DAD Iraq.

2. Quarterly progress update: Donors should update the progress of each project on a quarterly basis to ensure that output indicators and financial disbursements are accurate.

3. Finish project: Donors should agree satisfactory project completion with the Government of Iraq, update final details and set project status to close in DAD Iraq.

A fruitful collaboration in this respect has been established among MoPDC, UNDP, and major donors in data exchange, including the UN, US, UK and Sweden. The UNDP team has supported the development of a number of technical guides and manuals providing information on how to use DAD and how to update projects. In addition, a support team at the MoPDC has also been established to support donor data entry. However, despite significant progress to date, this area remains a key challenge for the Government of Iraq and continued support to improve compliance would be beneficial to ensure data quality.

Promoting e-Government: UNDP's aid management support also included provision of infrastructure and internet connectivity for the MoPDC and MoP KRG. A UNDP e-government specialist has helped the MoPDC to design and implement a state of the art web portal. Technical support and training has enabled the MoPDC to harness the features of the content management system to display data and analysis on aid management and development in a transparent and easily-accessible format. The portal is accessible at www.mop-iraq.org. The successful implementation of these e-government initiatives has paved the way for more sophisticated e-governance interventions in the future, in particular through the new programme to reform the public sector. This aside, the programme supported the financing of a high-level e-Governance conference in Baghdad with 250 participants, attended by high level government officials and experts in the field from federal and local governorates, IT industry, CSOs and NGOs, numerous development agencies and a world expert community. The conference objective was to showcase e-governance developments in Iraq and introduce new and successful practices via regional and global case studies. The conference also addressed the key strategies for implementing and integrating e-governance with public sector modernization and decentralization/local government joint programs.

<u>**Results against planned Outcomes and Outputs:**</u>

UNDP Planned Outcome 1: The Government of Iraq, through each of the designated Ministries, is able to take informed and grounded decisions on the mobilization and coordination of the aid provided to the country. This project should contribute to achieving tangible and sustainable results in the reconstruction and development of Iraq (Responsible agency – UNDP).

> **Outputs:**
>
> **1.1 DAD management units (DMU) are established in designated Ministries, and respective employees are appointed and trained accordingly.**
>
> **Physical progress:** Fully achieved (100%), including following activities:
> - DMU established in MoPDC, MoP (KRG);
> - Publication of new Standard Operating Procedure for donor data entry;
> - Creation of standard analytical report on donor flows to Iraq;
> - 25 capacity building courses delivered, including a final workshop on DAD and aid management in December 2009;
> - Capacity development support for the line Ministries, including Ministry of Health, Ministry of Electricity, Ministry of Municipalities and Public Works;
> - Further capacity development support has been requested from the MoP KRG and is expected to be delivered in Q3 2009 (this is not an achievement);
> - DAD Management Units in the designated line Ministries are now fully able to train their ministerial colleagues on DAD utilization.
>
> **1.2. Donor Assistance Databases are developed, installed, hosted and operational in Ministries and interconnected to enable data flow among them and a comprehensive analysis of international assistance.**
>
> **Physical progress:** Fully achieved (100%), including following activities:
> - DAD-Iraq in MoPDC is deployed and fully operational;
> - Ministerial extensions in MoEl and MoMPW were initially contracted; however, implementation was cancelled as it was agreed with stakeholders that the preferred approach is to use the central DAD Iraq for all sectors;
> - DAD-KRG has been deployed and hosted by KRG Ministry of Planning (www.krgdad.com). The DAD KRG is a regional subset of DAD Iraq and it has been successfully linked to the DAD Iraq through a regular synchronisation process;

- National Budget – Project Investment Plan component in the Ministry of Planning is now deployed.

UNDP Planned Outcome 2: The Government of Iraq is able to define an e-governance strategy and is equipped with pilot e-governance systems, including interactive web portals for listed key Ministries(Responsible agency – UNDP).

Outputs:
2.1   Establishment of Internet connectivity and local networking for designated Ministries;

Physical progress: Fully achieved (100%), including following activities:
- Internet connectivity provided to MoPDC in 2006 and 2007;
- Local network set up and hardware and software delivery contracted and initial implementation complete for MoP KRG, as well as the provision of internet connectivity;
- Internet connectivity, local network set up and essential hardware and software procurement completed for MoEl and MoMPW.

2.2 Development and installation of interactive web portals of the designated Ministries for publishing key data and reports on international assistance on national and ministerial/sector/community-levels, as appropriate, representing the first steps in introducing a transparent and accountable e-government framework for Iraq;

Physical progress: Partially achieved (100%), including following activities:
- MoPDC web portal operational;
- MoMPW web portal operational;
- MoP (KRG) web portal operational;
- MoELC web portal finalized and developed. Will be launched in firt half of 2010.

Despite cooperation from many international partners, especially donors, intransigence from some other organizations providing support in related areas has also had a detrimental effect on the success of the project. A renewed communications campaign during 2008 and 2009 resulted in substantial improvements in data sharing, however, the MoPDC in particular must continue outreach with primary stakeholders after the project is completed in order to ensure long term sustainability.

The project was reliant on a few key individuals within the Government of Iraq, in particular one Director General at the MoPDC and another at the MoP KRG.

Unfortunately both individuals were also considerably involved in a number of other interventions and projects. This inevitably caused some delays to the project.

In implementation, this project was reliant in particular on the selected software vendor, Synergy, to install DAD Iraq and portal technology, as well as provide ongoing technical support. This relationship was managed remotely in the main due to security constraints, however, the counterparts in the GoI have predominantly expressed satisfaction with the services provided.

With its concrete partnership commitments and measurable time-bound indicators on aid effectiveness, the Iraqi endorsement of the Paris Declaration on Aid Effectiveness is an important step to improve the outcome of aid. With inputs from the Office of the Deputy PM and the Ministry of Finance, UNDP and the MoPDC have developed a project to start the implementation of the Paris Declaration (see below). The Iraqi endorsement and the subsequent formulation of the Paris Declaration Implementation Project are very important direct results of this project. But several contextual factors need to be addressed if the future Paris Declaration initiative is to genuinely improve aid management in Iraq.

In this light, it is a positive development that the GoI is likely to finalise its five-year National Development Plan soon after the 7 March 2010 national elections. Fortuitously, this time frame also corresponds to the United Nations system finalizing its Development Assistance framework (UNDAF) that has allowed for a broad and intensive consultation process on both documents and the real possibility of aligning them to the maximum extent possible – in the true spirit of the Paris Declaration itself.

However, it is important to be mindful of the specific challenges to aid effectiveness that apply to the Iraqi context, i.e., continued violence and insecurity; lack of national and international capacity; multiple and often incompatible agendas; unclear goals; blurred lines between military, humanitarian and development interventions; widespread corruption; and lack of coordination. Making sure that these aspects are addressed in the Paris Declaration implementation project is critical if it is to have a true impact.

> *Summary of achievements against planned results for cross-cutting issues: Security, gender, human rights, employment and environment.*

Human Rights
This project contributes to a longer-term national goal to establish a democratic system and an efficient, transparent and accountable public administration, based on the principles of rule of law, human rights and good governance, whereby an enabling environment is created for Iraqi people and institutions to interact in a vibrant, participatory and transparent manner.

Employment

Despite the fact that the project was not designed to generate employment, the project targeted the current staff of the designated Ministries and governorates by organizing, restructuring and improving skills.

Gender
While this project does not target specific cross-cutting issues, UNDP operationalises cross-cutting themes in all of its programs as standard practice and this project is no exception. For instance, the project has promoted gender balance in relation to capacity building activities, with the result that out of 154 participants, 101 were men and 53 women. In addition, 90% of the staff working for South Information Center at the Basra University are women.

Project beneficiaries

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	258 trained	
Women	124 trained	
Children	-	
IDPs		
Others		
Indirect beneficiaries		
Employment generation (men/women)	15 staff in (DAD units in Baghdad and KRG)	

- **Future Work Plan**
  N/A

This project was operationally closed on 31 December 2009 to be succeeded by the "Support to the GOI in Implementing the Paris Declaration on Aid Effectiveness" initiative (Project document in Annex). The Project will seek to maximise the potential of aid in achieving development results in Iraq through the generation of mutually reinforcing partnerships between the GoI, donors and other actors. The Project will predominantly provide upstream policy advice and capacity development support to the GoI, to enhance the delivery and effectiveness of aid to Iraq structured around each of the five principles of the Paris Declaration. The main project counterparts will be the Prime Minister's Office (PMO), the Ministry of Planning and Development Cooperation (MoPDC – now MOP) and the Ministry of Finance (MoF). The initiative will be initially funded by the ITF for $1 million and will be for initial 18 months of duration.

V. Performance Indicators

Objectives	Indicator	Result
Development Objective: To assist the Government of Iraq in establishing a comprehensive inter-ministerial,	Donor Assistance Databases are	Database is currently active in the mentioned

sustainable, transparent and accountable aid coordination system based on multidimensional capacity building of six ministries: The Ministry of Planning and Development Cooperation, Ministry of Finance, Ministry of Municipalities and Public Works, Ministry of Health, Ministry of Education, and Ministry of Oil.	implemented on-line with data on international assistance available both at project/detail and aggregated level.	ministries, except for oil.
Immediate Objective 1: The Government of Iraq and each of the designated Ministries are able to take informed and grounded decisions on the mobilization and coordination of aid into the country. This project should contribute to achieving tangible and sustainable results in reconstruction and development of Iraq.	DMUs are established in all designated Ministries and able to identify priorities and track international aid flow.	DMUs were established with full capacity in Baghdad and KRG.
Immediate Objective 2: The Government of Iraq is able to define an e-governance strategy and is equipped with pilot e-governance systems, including interactive web portals of listed key Ministries.	Recommendations are adopted and framework is approved by the Government, web portals are operational and accessible on the Internet.	A common understanding amongst relevant ministries established to develop the suggested framework.

VI. Abbreviations and Acronyms

- DAD — Donors Assistance Database/Development Assistance Database
- DCU — Donor Coordination Unit
- DEX — Direct Execution
- ERMU — External Resources Management Unit (KRG)
- GOI — Government of Iraq
- ICI — International Compact with Iraq
- ICD — International Cooperation Directorate
- ICT — Information, Communication and Technology

- ISRB   Iraq Strategic Review Board
- KRG   Kurdistan Regional Government
- M&E   Monitoring and Evaluation
- MDGs   Millennium Development Goals
- MoFA   Ministry of Foreign Affairs
- MOP   Ministry of Planning (KRG)
- MoPDC   Ministry of Planning and Development Coordination of (Iraq Central Government)
- OECD   Organisation for Economic Cooperation and Development
- NDS   National Development Strategy
- UNDP   United Nations Development Programme
- UNOPS   United Nations Office for Project Services

Appendixes:

Appendix I: Internal Evaluation Report
Appendix II: Aid Management Brochure, May 2008
Appendix III: Paris Declaration Project Document