Strengthening Capacity Building and Public-sector Management in Iraq

A Report of the Post-Conflict Reconstruction Project
Center for Strategic and International Studies

Lead Author
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Cover photo: U.S. Marines (Echo Company, 2nd Battalion, 7th Marine Regiment) pass Iraqi sheep herders during a patrol in Zaidon, Iraq. U.S. Marine Corps photo by Lance Cpl. Joseph A. Lambach, March 24, 2007.

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Acronyms

CAS	Country Assistance Strategy
CD	Capacity Development
CDWG	Capacity Development Working Group
CGA	Country Governance Assessment
CIDA	Canadian International Development Agency
COSIT	Central Office for Statistics and Information Technology
CPA	Coalition Provisional Authority
CPIA	Country Policy and Institutional Assessment
CRS	Creditor Reporting System
CSIS	Center for Strategic and International Studies
CSP	Country Strategy Programs
CWIQ	Core Welfare Indicators Questionnaire
DAD	Development Assistance Database
DAC	Development Assistance Committee
DEC	Development Experience Clearinghouse
DEReC	DAC Evaluation Resource Center
DFID	Department for International Development (UK)
DQA	Data Quality Assessment
EC	European Commission
ESW	Economic and Sector Work
EU	European Union
FMIS	Financial Management Information System
GoI	Government of Iraq
GPM	Governance and Public Management
HDI	Human Development Indicators
ICI	International Compact for Iraq
ICT	information and communications technology
IFI	International Financial Institution
IMF	International Monetary Fund
IPC	Implementing Policy Change
IRFFI	International Reconstruction Fund Facility for Iraq

IRMO	Iraqi Reconstruction Management Office
IRMS	Iraqi Reconstruction and Management System
IRRF	Iraq Relief and Reconstruction Fund
IT	Information Technology
IZ	International Zone
JMM	Joint Monitoring Matrix
LFA	Logical Framework Analysis
LSMS	Living Standards Measurement Survey
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MNF-I	Multi-National Force–Iraq
MoF	Ministry of Finance
MoPDC	Ministry of Planning and Development Cooperation (Iraq)
NCCMD	National Center for Consultancy and Management Development
NGO	Nongovernmental Organization
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PIP	Public Investment Program
PMO	Prime Minister's Office
POC	Point of Contact
PREM	Poverty Reduction and Economic Management
PRMPS	Public-sector Management Division
PSD	Private Security Detail
QGA	Quality of Governance Assessment
SOPs	Standard Operating Procedures
SWG	Sectoral Working Group
ToR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Education, Scientific, and Cultural Organization
UNODC	United Nations Office on Drugs and Crime
USIP	U.S. Institute for Peace
USAID	U.S. Agency for International Development
WB	World Bank

Acknowledgments

Executive Summary and Key Recommendations

Few issues confronting postwar Iraq are more important than those of governance and public management (GPM). The intention of this project was to enhance the capacity of the government of Iraq (GoI) to plan and monitor projects in this area as well as to help the donor community to better understand the scope and coverage of various interventions to date. This report provides the diagnostic findings and provides recommendations for next steps and the way ahead.

Mapping GPM Projects

The bulk of the effort under this project was expended on mapping existing donor interventions in the field of GPM. We discovered that the variety of problems means that the quality of available data is very poor, making comprehensive, accurate, and up-to-date mapping extremely difficult to achieve. The problems with the available data and data collection processes include:

- The use of disparate and multiple definitions and categorizations, both within the GoI and among donors;

- The lack of detailed and updated reporting by donors to the Development Assistance Database (DAD) of the Ministry of Planning and Development Cooperation (MoPDC);

- Lack of clarity in accounting procedures (e.g., accounting for multilateral versus bilateral funds, consistent units of measure, accounting for overhead costs).

Nonetheless, we have concluded that total GPM monies committed across the project's five key GPM categories (public financial management, anticorruption, civil service reform, central mechanisms for policy coordination and management, and legal and judicial reform) has been around $353 million since April 2003. It should be noted, however, that these sums do not account for all of the technical advisers provided to Iraqi ministries by coalition governments through the Coalition Provisional Authority (CPA) and the Iraq Reconstruction Management Office (IRMO); nor do they include assistance provided to the Iraqi Security Forces and security ministries.

In terms of the allocation of funds, breaking down the data by the project's five categories indicates that some $47 million has been committed to anticorruption projects, some $31 million to central mechanisms for policy coordination, some $29 million to public financial management, and some $27 million to legal and judicial reform. However, we could not verify the allocation of some $10.6 million from the World Bank Iraq Trust Fund's (ITF) two capacity-

building projects or $165 million from the U.S. Agency for International Development's (USAID) National Capacity Development Program since these cut across several sectors.

Breaking down donor activity in a different manner (i.e., by the sectors within the DAD-Iraq), gives a slightly different picture. Projects classed as Public Sector Reform total $70 million; projects classed as Civil Society total $36 million, committed; and projects classed as Local Government Services and General Public Services total $7.5 million.

Since there are serious problems with the accuracy, categorization, and updating of current data in the DAD, as discussed below, it is helpful to review data on completed projects since this tends to be more accurate. Of the donor projects in the GPM area that are recorded as having been completed, some 53 percent, $10 million, are classed by the DAD as Public Sector Reform; 30 percent, $6 million, as Civil Society; 13 percent, $2.6 million, as Statistics and Demography; and 1 percent, $190,000, as Local Government Services.

In terms of donor activity, in our mapping we collated data from the DAD with direct discussions with donors and sought to filter out construction and rehabilitation work. Based on that analysis, the major donors have been the United States, with $228 million; the United Kingdom, with $67 million; Canada, with $12 million; and Korea, with just under $9 million. The UN Development Group (UNDG) Trust Fund has provided $11.6 million, and the World Bank Trust Fund has provided $10.6 million in these areas. It should be noted that, due to problems with double counting, it has not been possible to identify with precision the amounts provided by individual donors via the trust funds.

Taking Forward Mapping

Our experience with seeking to generate an accurate map of donor activity in GPM highlights a number of hurdles that need to be overcome before the GoI and donors can generate accurate, comprehensive, and up-to-date maps of project activity.

- First, stakeholders must reach an agreement on commonly understood sector structures. Once the sector structure has been agreed, the DAD can more easily function as a tool to update the mapping.

- Second, stakeholders must reach a consensus on consistent units of measure. It will be particularly important to agree on how overhead costs, including security, are accounted for in donor reporting.

- Third, MoPDC staff require additional training to improve their capacity to undertake project mapping. They also require further hands-on training to ensure that the DAD operates in a transparent and consistent manner.

- Fourth, donors must ensure that they comply with GoI requirements to submit and update data to the DAD and that the data submitted are accurately categorized.

In sum, accurate and comprehensive mapping of donor activity and project data is crucial to allow the GoI and donors to evaluate the state of play and to identify gaps. In the staffs of the Iraq Strategic Review Board (ISRB)—established by CPA Regulation 7 "to provide overall policy guidance and approval for reconstruction activities"—and the core DAD team, the MoPDC has great assets. The DAD also provides a software platform with great potential. There is no reason why the MoPDC should not be able to build its capacities such that it can provide the GoI and donors with comprehensive, up-to-date, and accurate maps of donor and public investment activity.

Evaluating the Development Assistance Database–Iraq (DAD-Iraq)

In addition to using the DAD-Iraq as a tool to map GPM projects, this project assessed the efficacy of the application and worked to improve the quality of the data in the DAD as it relates to GPM. During the course of the project, we obtained excellent insights into the strengths and weaknesses of the technology and the business processes and human capital that govern its operation.

Our conclusion is that the DAD is a useful and desirable tool to assess progress and to determine whether donors are fulfilling their pledges. The DAD has additional potential, to help the GoI plan and budget its own development funds.

While the DAD is the most comprehensive source of information on donor activities in Iraq, we found that it currently falls short of providing a complete picture, particularly in the areas of GPM and capacity building. Our investigation revealed that, of the $353 million we have calculated as being allocated to GPM projects in Iraq, only $125 million, or 35 percent of the total GPM monies committed in Iraq, appear in the DAD. However, it does capture around 60 percent of GPM projects in Iraq.

There appear to be three sets of reasons for the gaps in the data reflected in the DAD. First, definitional and categorization differences between donors. Second, the failure of the DAD to impose clearly understood disciplines on donor data. Third, failures by donors to use the DAD properly. These latter failures are in part a result of technical problems with the DAD that deter regular usage.

In light of our evaluation of the version of the DAD-Iraq application used during this six-month study, and notwithstanding the improvements already in train for the new version of the DAD, we recommend the following to improve the utility of the DAD-Iraq:

- Standardize the sector structure so that it is unchanging and internationally acceptable.
- Create incentives to induce donor buy-in so that data is regularly updated and therefore more usable.

- Develop and disseminate detailed but simple standard operating procedures (SOPs) in the form of guidelines to ensure that reporting is timely and consistent; workshops for donors may be one means of transmitting this information.

- Technically improve the DAD to make it more usable, for example, make data more quickly and easily downloadable into Excel to give users more flexibility in sorting, filtering, etc., to meet their specific analytical needs.

- Before proceeding to incorporate the National Budget Investment Projects (NBIP, also referred to as Public Investment Projects, or PIP) and to synchronize this data with the Ministry of Finance's national budget management using the Financial Management Information System, the MoPDC should ensure that the DAD properly fulfills its primary function, as a tool for managing donor assistance project data. The MoPDC also needs to make decisions about how the DAD will be used as a project management tool and ensure that the reporting process is working properly.

Donor Reporting to the DAD

The Iraqi DAD is seeking to capture the largest reconstruction effort in the world today. Hence, the volume of data it must track is huge and growing. It should also be recognized that the many different organizations involved in the assistance effort use different internal financial and project management systems.

We found that there is considerable confusion among donors as to how project data should be transmitted to the DAD. There are no written and disseminated SOPs for reporting data, so reporting is ad hoc at best and tends to vary widely by donor. Some donors, such as Canada and the European Commission (EC), have kept their project data up to date for the most part. Other donors have not been as successful, although they were willing to do so once shown how (e.g., the United Kingdom and Japan).

Not surprisingly, the case of the United States is most complicated. Currently, project data is transferred on a personal and ad hoc basis. Both the United States and GoI would benefit greatly from formalizing the channel of communication between the Iraq Reconstruction Management Office's (IRMO) Information Management Unit (IMU) and the DAD team at the MoPDC.

In sum, we concluded that the donor community as a whole is only in part compliant with the Paris Declaration requirements on reporting their assistance to Iraq. The International Compact for Iraq (ICI) provides an opportunity to improve compliance.

Capturing Evidence on Effectiveness

In the course of this project, we intended to strengthen the capacity of the MoPDC to monitor and assess the impact of donor interventions in relation to GPM and to improve the ability of the GoI and donors to design more effective GPM interventions.

To accomplish these objectives, we intended to work with MoPDC counterparts to conduct an analysis of donor activity in order to assess the relative success of efforts to date. In the event, it proved unrealistic to engage MoPDC in labor-intensive evaluation activities. Instead, we concentrated the bulk of project activity and bilateral work with MoPDC counterparts on much more basic organizational and data-gathering tasks. We sought to undertake some evaluation ourselves by reviewing existing donor materials. Although we did not obtain many evaluation documents, certain overall lessons emerged:

▪ Institutional capacity building remains a critical need;

▪ Unsurprisingly, security overrides all else as a constraint on delivering assistance or undertaking institutional reform;

▪ In terms of managing donor activities, it appears that central mechanisms for resource pooling, including the International Reconstruction Fund Facility for Iraq (IRFFI), have significant advantages.

A number of lessons can also be drawn on approaches to program design and delivery. Among them:

▪ Best practice demonstrates that ownership is required for success and sustainability. Implementing projects through government agencies helps to modernize public-sector management systems, but the reliance on recipient execution slows the pace of implementation. Limited GoI capacity can cause donors to push too fast and to "replace" Iraqi capacity with their own in order to meet project deadlines. However, as a World Bank evaluation put it, "the costs of bypassing Iraqi institutions to execute projects outweigh the short-term benefits."[1]

▪ Building close relationships with individual counterparts to the point of real trust is critical. This can be helped if GoI partners assign individual counterparts to donor team members. Individual coaching/mentoring of middle-ranking as well as senior officials increases the chances of long-term traction/sustainability.

GoI Capacity for Evaluation

Within the MoPDC, there appear to be three possible centers of expertise on Monitoring and Evaluation (M&E). The DAD team has an interest but is currently in the early stages of building its capability to simply gather and analyze data. The Central Office for Statistics and Information Technology (COSIT) is a center of expertise in statistics. The National Center for Consultancy and Management Development (NCCMD) is a consultancy and training center within the MoPDC. It appears that the Ministry of Planning had a project-monitoring process in place

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[1] Faris Hada-Zervos, "The World Bank in Iraq: Iraqi Ownership for Sustainability" (working paper, Iraq Country Unit, Middle East Department, Middle East and North Africa Region, World Bank, Washington, D.C., June 2005), p. 38, http://siteresources.worldbank.org/IRFFI/Resources/WBPaperIraqFaris.pdf.

prior to April 2003. This process has not yet been reestablished within the new ministry, but officials appear keen to regain this capability.

The International Compact for Iraq (ICI) includes tools for monitoring and evaluation of the ICI's implementation. These tools are related to the ICI's Joint Monitoring Matrix, which is in effect a Transitional Results Matrix. Therefore the ICI provides a framework for future monitoring and evaluation of Iraq's capacity development strategy.

Dissemination of Good Practice Materials

One of the intentions of the project was to provide MoPDC counterparts with access to good practice and educational materials on GPM and M&E. These materials have been collated and made available at http://www.al-idara-al-hakoomiya.org/. The site groups GPM and Iraqi development-related resources, publicly reported donor strategies, information on this project, and a link to the DAD-Iraq. Our intention is to transfer control of the Web site to the MoPDC team, perhaps as part of the main MoPDC Web site, which can be found at http://www.mopdc-iraq.org/.

Government of Iraq Counterpart Training

The original project design envisaged providing training to MoPDC staff at offsite locations in Amman and in the United States. This approach was modified to focus on providing training in Baghdad in three areas: how to undertake mapping, how to understand the substantive components of GPM, and how to perform M&E. In the end, though, we found that the level of capacity in the ministry was lower than expected. Much of the training therefore took the form of mentoring on basic skills such as meeting management, report writing, and data collection.

Based on our experiences, and drawing from the experience of Iraqi officials, donors, and other contractors working in Iraq, we propose several recommendations for future training. The first recommendation centers on establishing a well-trained donor coordination secretariat in the MoPDC that would facilitate the overall management of the donor coordination process and serve as a model for other sectoral working groups. The remaining recommendations concern developing analytical and research skills among MoPDC counterparts to enable them to better manage GPM projects.

Additional high-level training in M&E must be within the context of the Comprehensive Development Framework that underpins the Compact. The framework is built on the Four Pillars for Effective Development. A "State of Play Scorecard" serves as the basis for monitoring and evaluating performance in terms of adherence to specific principles associated with each pillar.

Donor Coordination Issues

Since 2003, the GoI and international donors have established a range of mechanisms to help coordinate donor and GoI activity. The project intention was to use these existing donor coordination mechanisms to encourage more structured GoI and donor dialogue on GPM issues and to use these coordination mechanisms to build a more shared sense of the requirements and the way forward. However, we found that the existing mechanisms were somewhat chaotic and had limited functionality. Therefore, the project took a practical role in moving forward both the Capacity Development Working Group (CDWG) and a smaller, more focused Governance and Public Management Steering Committee. The project did so by facilitating the creation of a small group of donors and MoPDC officials in the Steering Committee, by servicing the larger CDWG, and by establishing and enhancing dialogue between donors and the DAD. This coordination work was done within the context of developing thoughts on the shape of the ICI Coordination Framework.

We recommend the following next steps in donor coordination in relation to GPM:

- The Steering Committee and the CDWG should finalize agreed upon Terms of Reference that cover their focus, makeup, and agendas;

- The CDWG should be provided with a professional secretariat, drawn from MoPDC staff but trained and provided with technical assistance by donors;

- Procedures should be put in place for routine reporting to the DAD by donors.

Key Findings and Recommendations

Our mapping exercise leads us to estimate that donors have funded some $353 million in GPM projects since April 2003. This figure must, however, be treated cautiously due to serious concerns over data quality. The figure does not, for instance, capture the value of all secondees provided by coalition governments or the value of coalition military support to the Iraqi Security Forces or security ministries.

Furthermore, the absence of a comprehensive, validated, and GoI-owned needs analysis makes it hard to make an accurate judgment of where gaps may be. Iraqi needs, as expressed in the National Development Strategy, are general. The sectoral working groups have, to varying degrees, collated lists of requirements from certain ministries. However, neither the sector working groups, the ISRB nor the CDWG have produced a comprehensive assessment of needs.

An overall evaluation of the impact of GPM interventions in Iraq since April 2003 is difficult to derive. Some donors have carried out project-specific evaluations and some agencies of the U.S. government, notably IRMO and Multi-National Force-Iraq, have sought to measure the capacity of Iraqi ministries and local government institutions. Iraqi evaluations of progress appear impressionistic. Therefore, an important lesson from this study is the need to

assist the GoI to rebuild and modernize its capabilities to undertake evaluations both at the project and at the institutional and system-wide level.

One emerging lesson, however, is the impression by MoPDC counterparts that much of the training that has been provided for Iraqi officials, often out of country, appears to have been ineffective for two reasons. First, poor selection of candidates for training. Second, lack of an integrated organizational development program within which trainees could make use of their new knowledge and skills.

Lessons for the Future

A number of important lessons for future GPM work in Iraq can be drawn:

- It will be important to build basic administrative capacity in the Iraqi donor coordination mechanisms, notably within the MoPDC;

- The CDWG in coordination with the MoPDC must incorporate this need into its development of the Capacity Building Strategy that it plans to undertake in 2007;

- It will be important to create incentives for donors to report project information to the GoI;

- It will be important for donors to "practice what they preach"—in other words to design programs and projects in close consultation with GoI counterparts and to reinforce local systems where they exist;

- It will be important to adopt a systems approach to institutional development.

Recommendations and Next Steps

A central finding of this project was that the capacity of the international community in Iraq and of the GoI to monitor GPM activity to date, let alone to systematically determine requirements or to evaluate progress, is surprisingly poor. Our final recommendations therefore focus on relatively short-term steps that could be taken to address this problem of understanding. If donors and the GoI could address the technical and administrative issues outlined below, they would be in a much better position to target donor and Iraqi resources.

To the Government of Iraq

1. Build the basic administrative capacities of the staff of the donor coordination mechanisms that will implement the ICI (notably ISRB, CDWG).

2. Build additional analytical and evaluation capacity in the MoPDC by ensuring coordination between the ISRB/DAD, COSIT, and NCCMD; seek additional analytical training for key staff; use analytical products to inform government-wide decisions and to brief donors.

3. Improve data collection, reporting, and mapping by settling on a standard for categories and definitions and by publishing and enforcing SOPs for donor reporting.

4. Draft a Capacity Development Strategy for Iraq to provide an agreed framework for donor-GoI collaboration on GPM.

5. In order to enhance donor coordination and to produce and implement a Capacity Development Strategy, basic logistical obstacles must be resolved. Due to the difficulty of traveling between the International Zone and the rest of Baghdad, the GoI should make operational a comprehensive video conferencing system and establish accessible "amber-zone" meeting facilities.

To Donors

Donors can support the GoI in the above activities by:

6. Providing technical assistance, training and even temporary capacity substitution in the MoPDC and the central donor coordination mechanisms (ISRB, DAD, CDWG).

7. Providing technical advice for the development of a Capacity Development and Governance and Public Management strategy.

8. Agreeing on coherence in categories and definitions in relation to GPM and the DAD, in coordination with the GoI. These need to be aligned with international standards of classification such as the DAC CRS Purpose Codes and the IMF GFS classifications.

9. Conforming to GoI requirements on data reporting once the GoI has formalized these in the form of reporting SOPs.

10. Working with the GoI to undertake comprehensive and unbiased assessments of GoI requirements and making available evaluations of past performance.

11. Ensuring that future assistance programs are developed in close partnership with GoI counterparts and that they adopt an integrated institutional development approach as opposed to focusing only on training.

To the World Bank

The World Bank can support the above activities with technical expertise, which should be deployed in Baghdad, and by exercising policy influence in the wake of the ICI to encourage donor conformance with GoI requirements.

12. Ensure that the bank sets a standard for good practice by collating and sharing with the GoI data on projects and on evaluations.

13. Provide technical assistance and training on GPM strategies and monitoring and evaluation to the MoPDC's ISRB, DAD, and COSIT staff.

14. Apply pressure to all key donors in Iraq to ensure that they conform to the principles of the Paris Agreement in their dealings with the GoI.

Update

This report reflects work conducted by the Post-Conflict Reconstruction Project that concluded in January 2007. New data on donor funding in Iraq frequently becomes available, but the data in this report is current through January 2007.

The report has been discussed with core donors and was the subject of a broader Capacity Development Working Group (CDWG) in Baghdad the week of June 25, 2007. Key observations include that core donors in Baghdad appear to have agreed on some of the practical next steps for this report—for example, enhancing the MoPDC secretariat, building up the MoPDC's analytical and reporting skills, developing clear SOPs for information exchange with the DAD, and working on a revised and commonly agreed sector and data structure.

We have detected enthusiasm on the part of donors in Baghdad for engagement between UNDP and Synergy International Systems in this process of making the necessary DAD changes.

Introduction

The terms of reference (TOR) for this study were as follows: "Few issues confronting post-war Iraq are more important than those of governance and public management (GPM).… This initiative…will both enhance the capacity of the Government of Iraq to design and monitor projects in this area as well as help the donor community to better understand the scope and coverage of various interventions to date."[1] The TOR called for a final policy note that would make "recommendations for future donor interventions based upon this analysis. The note should address: (i) GPM areas that are well covered by donors and where particular gaps and lacunas lie; (ii) the types of GPM interventions that have shown themselves to be most successful, those which have not, and why; and (iii) any particularly important or relevant lessons for the future."

This report details the achievements of this project, provides the diagnostic findings, and provides recommendations for next steps and the way ahead.

The Context for GPM in Iraq

It goes without saying that contemporary Iraq is not a conducive environment for implementing GPM reform programs. The country has many assets in terms of a strong public-sector tradition, access to human capital, and access to funds. In addition, elements of the economy are doing well and parts of the country are relatively stable. Overall, however, the country is in the midst of a worsening political and security crisis. This crisis understandably distracts attention from issues of longer-term reform and institutional development; it makes political agreement on reform difficult to achieve; it is leading to a flight of human capital from the public sector and from the country. Most obviously, the security situation, notably in the center of the country, makes it extremely difficult for donors and their government of Iraq (GoI) counterparts to operate on a day-to-day basis.

Aside from the security situation, many of the contextual issues that frame any reform program remain to be addressed. These range from constitutional arrangements, through to legislation affecting the public sector and agreement on the appropriate balance between public and private ownership of the economy. Furthermore, although there is an elected, cabinet-style government, there are suggestions that some of the central ministries are becoming party fiefdoms, exploited for short-term gain, rather than being focused on reform and service delivery.

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[1] World Bank, "Strengthening Capacity Building in Governance and Public Sector Management for the Republic of Iraq, Terms of Reference," April 2006. This is a nonpublic document on file with the CSIS Post-Conflict Reconstruction Project.

If the situation of the GoI is not conducive to progress, on the donor side, the picture is also dispiriting. Substantial sums have been provided for Iraqi reconstruction since April 2003. While the United States has been the primary donor, other countries have also contributed generously. A large portion of donor funds has been focused on infrastructure, construction, and equipment programs. A significant portion of funds has been absorbed by security costs, but notably in Baghdad, security risks continue to limit the ability of donors and implementing partners to maintain sustained contact with GoI counterparts.

Donors have nonetheless implemented, or are now implementing, a considerable number of projects related to GPM. As the GoI increasingly takes control of its own destiny and seeks to assert leadership over what has, to date, often been a supply-driven process of donor assistance, this is the appropriate time to take a snapshot of what has been done and to consider how assistance may be better mobilized and deployed in the future.

Structure of the Report

This report is divided into seven further sections. Chapter 1 discusses how the project arrived at maps of donor interventions in GPM and summarizes the data in a variety of formats. Chapter 2 discusses the Development Assistance Database (DAD). The project evaluated the DAD and also worked to update the quality of the DAD's data on GPM. Chapter 3 discusses how the project sought to undertake evaluations of GPM in Iraq to derive lessons for future interventions. Chapter 4 summarizes the project's efforts to collate and disseminate good practice information in support of capacity building. Chapter 5 discusses the project's training interventions with GoI counterparts. Chapter 6 discusses the challenges facing donor coordination in Iraq, with particular reference to GPM and capacity building. Finally, chapter 7 provides a number of key findings and recommendations that address the requirements of the World Bank terms of reference. A series of annexes provide supporting material on the mapping, the DAD, donor coordination, and project management issues to be addressed by the World Bank.

Map Donor Interventions

The bulk of the effort under this project was expended on mapping existing donor interventions in the field of Governance and Public Management (GPM). This section explains our mapping methodology and presents the overall findings.

There are many definitions of what constitutes GPM. The project Inception Report provided a discussion of the relevant terms and categories. Our analysis of classifications in use in Iraq by the government of Iraq and by various donors highlighted the use of multiple definitions and categorizations. This multiplicity has served to complicate both the development of agreed strategies and the gathering and analysis of project data. As this section argues, the GoI and donors would be advised to do further work to cohere around a more consistent set of definitions and categories that is standardized across all Iraqi and international actors.

Mapping: The Process

We examined two different approaches to categorizing and then mapping GPM activity in Iraq. Our initial approach was to use the five priority GPM categories identified in the Inception Report. At the same time, we explored a second approach, using the existing Development Assistance Database–Iraq (DAD-Iraq) categories under "Governance and Democracy Building." Our exploration demonstrated, first, the challenges in consistently classifying and categorizing activities and, second, the challenges surrounding data collection in contemporary Iraq.

Definitions and Categories

The Inception Report highlighted the fact that while governments, donors, members of civil society, academics, and investors agree that GPM is key for fostering economic growth and development, these parties have had great difficulty in reaching a consensus on exactly what constitutes GPM. The Inception Report adopted a definition of GPM by Hyden et al.[1] However, during the course of the project, we found the World Bank's definition of governance, as articulated by Kaufmann of the World Bank Institute, more directly applicable to GPM work in Iraq. This defines governance as:[2]

> [T]he traditions and institutions by which authority in a country is exercised for the common good. This includes:

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[1] Goran Hyden et al., *Making Sense of Governance: Empirical Evidence from 16 Developing Countries* (Boulder, Colo.: Lynne Rienner Publishers, 2004), p. 16.

[2] Daniel Kaufmann, "Myths and Realities of Governance and Corruption," in *Global Competitiveness Report 2005–2006*, ed. Augusto Lopez-Claros et al. (New York: Palgrave Macmillan, 2005), p. 82.

- The process by which those in authority are selected, monitored, and replaced (the political dimension);
- The government's capacity to effectively manage its resources and implement sound policies (the economic dimension); and
- The respect of citizens and the state for the country's institutions (the institutional respect dimension).

This definition is suitably broad and encompasses various areas of work that GPM donor interventions may cover.

Within this definition, there are many ways of cutting the GPM cake. Our Inception Report provided a breakdown of GPM activities into eight broad categories, five of which World Bank and Iraqi officials in the MoPDC identified as priorities for this project. These categories, outlined in the box below, were: public financial management, anticorruption, civil service reform, central mechanisms for policy coordination and management, and legal and judicial reform.

Components of Governance and Public Management

Priority Areas for Project

Public Financial Management focuses on controlling government spending and making agencies operate efficiently and effectively. Areas that fall within this category include: revenue administration, public procurement, budget forecasting and preparation, budget implementation, internal and external auditing, accounting systems, treasury operations and financial management information systems, and expenditure planning.

Anticorruption programs focus on curbing the practice of abusing public office for private gain. Corruption tends to impact all other dimensions of governance, so anticorruption policies must be implemented across the range of ministries and departments to fundamentally change the bureaucratic culture.

Civil Service Reform encompasses the reform of government structures, staffing, human resources management policy, pay and employment issues, and labor relations. Typical civil service reforms may include: making the civil service more merit based; ensuring that civil service pay is competitive with the market; and putting in place appropriate laws, procedures, and human resource management practices to better ensure the success of government programs.

Central Mechanisms for Policy Coordination and Management are processes for analyzing, influencing, and implementing the formal and informal rules that govern the whole of government activities.[3] This often boils down to establishing clear, consistent, and transparent channels of communication between government leaders and their ministries and forging multisectoral relationships among the involved parties.

Legal and Judicial Reform concerns establishing the rule of law and constructing a sound legal and judicial system. The rule of law encompasses courts, legislatures, legal statutes and codes, executive agencies, and independent nongovernmental organizations, such as bar associations and civil associations. It is sometimes also extended to include law enforcement institutions, notably police and prisons.

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[3] Asian Development Bank (ADB), "Capacity Development: A New Thematic Priority," ADB, Mandaluyong City, Philippines, November 2004, http://www.adb.org/Governance/ADB-OECD/2004-leaflet.pdf.

Other Areas of GPM

Decentralization refers to the idea that certain service delivery and development needs of a population can be addressed more effectively by empowered local government with a strong capacity to manage participatory development planning and implementation.[4] The devolution of government functions and resources to local governments can provide for a more flexible and adaptable governance structure that is more responsive to local voices.

Parliamentary Strengthening deals with fostering the parliament as a representational and accountable voice of the citizenry. Mechanisms such as traditional checks and balances must be established to ensure that the parliament is able to stand with the other branches of government on an equal footing.

E-governance is the public sector's use of information and communications technology (ICT) to improve information and service delivery, to encourage citizen participation in the decisionmaking process, and to make government more accountable, transparent and effective. Other goals of e-governance are to improve the internal organizational processes of governments, provide better information and service delivery, increase transparency to alleviate corruption, reinforce political credibility and accountability, and promote democratic practices through public participation and consultation.[5]

While the above depiction of the components of GPM is a useful analytical and programmatic categorization, the DAD-Iraq does not use this categorization. Versions of the DAD in other countries have used the OECD/DAC sector structure, known more formally as the Creditor Reporting System (CRS) Purpose Codes. In theory, this was to be the case with the DAD-Iraq. However, the comparison of the DAD-Iraq sector structure and the OECD/DAC sector structure presented in table 1.1, and illustrated in more detail in table 1.2 and in annex 1, shows that there is not a direct correspondence between the DAD-Iraq sector structure and that used by the OECD/DAC.

Moreover, the DAD double categorizes several projects using a subsector titled General Public Services in addition to other DAD subsectors, such as Civil Society. General Public Services is not listed as a subcategory of Governance and Democracy Building in the DAD-Iraq handbook, and it is unclear to what this category refers. The link between General Public Services and Public-sector Financial Management implied by table 1.1 is based on the definition of General Public Services provided in an early DAD training handbook that lists various subcomponents of public finance in a matrix under the heading Government Functions.[6]

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[4] Institutional Reform and Capacity Building Project in Sierra Leone (IRCBP), "Decentralization and Capacity Building," IRCBP, Freetown, Sierra Leone, n.d., http://www.ircbp.sl/drwebsite/publish/decap.shtml.

[5] UNESCO, "E-Governance Capacity Building," UNESCO, Paris, n.d., http://portal.unesco.org/ci/en/ev.php-URL_ID=2179&URL_DO=DO_TOPIC&URL_SECTION=201.html.

[6] Synergy International Systems, "Improving Aid and Development Management through Donor Assistance Database," Training Workshop, Amman, Jordon, September 10–14, 2006, pp. 83–84.

Table 1.1. Sector Crosswalk

CSIS Project GPM Subsectors	DAD-Iraq Governance & Democracy Development Subsector	DAC: Government & Civil Society Subsector
Public Financial Mgmt.	General Public Services	Public-sector Financial Mgmt.
Anticorruption	All Subsectors	
Civil Service Reform	General Public Services; Public-sector Reform	
Central Mechanisms for Policy Coordination & Mgmt.	General Public Services; Executive & Legislative Organizations	
Legal & Judicial Reform	Judicial Services	Legal & Judicial Development

The DAD-Iraq subsectors that overlap with GPM as outlined in the Inception Report fall largely, but not solely, under the heading of Governance and Democracy Building. Within this sector are several subsectors, listed in table 1.2, with projects that are not directly relevant to our narrower definition of GPM (e.g., Elections, Constitutional Affairs, Media, and Religious Affairs). We therefore eliminated these from the mapping. We also eliminated any projects that consisted primarily of construction or supply, as well as projects that dealt with building the capacity of Iraqi security services. We included Civil Society because many anticorruption activities are found within this subsector. While we expected to find projects that overlapped our GPM categories under the DAD-Iraq sector titled Economic Development, as of January 16, 2007, this sector of the DAD only listed 14 projects, and none was applicable to our GPM mapping.

Table 1.2. DAD-Iraq versus OECD/DAC Subsectors Comparison

DAD-Iraq Governance & Democracy Development Subsectors	DAC Government & Civil Society Subsectors
Civil Society	Strengthening Civil Society
Constitutional Affairs	
Elections	Elections
Judicial Services	Legal Judicial Development
Local Government Services	Government Administration
Public-sector Reform	
Media	Free Flow of Information
Religious Affairs	
Statistics and Demography	
	Women's Equality Organizations & Institutions

Our initial mapping therefore used data from the relevant categories of the DAD and mapped this data according to the five priority GPM categories identified above. One of our findings was that many of the activities in the GPM mapping could not be directly mapped to one of the five priority GPM components, despite their apparent relevance to capacity building in this general area.

This initial mapping led us to the conclusion that it makes sense to abandon our original breakdown of the components of GPM, given the many already existing categorizations of reconstruction activities. The reason for adopting already existing matrices is the need for continuity in trend analyses. Therefore, the final mapping presented in this report uses the current DAD-Iraq subsectors, most of which are found under Governance and Democracy Development. Additional projects that fall under other sectors, such as economic reform, were identified through meetings with bilateral donors who provided information not contained in the DAD. We included such projects in the mapping when they addressed areas that fell under the definition of GPM.

Because it is intended by the International Compact for Iraq (ICI) that the sector working groups take the lead on monitoring and designing reform programs, it is important that they be able to use the DAD as a source of data to inform this process. As the GPM mapping exercise demonstrated, this will require that customized spreadsheets be developed. In order for such spreadsheets to be comprehensible to all actors, and because there is overlap between the sector working groups in terms of their scopes and responsible ministries, the sector structure(s) on which the DAD is based becomes crucial. Otherwise, reform programs run the risk of duplicating efforts or leaving gaps when the working groups fail to cover a section of the Joint Monitoring Matrix (JMM).

Data Collection

While the DAD served as a starting point for the GPM mapping, we quickly found that the DAD provided, at best, an incomplete picture of donor GPM activities. Meetings with representatives of the major donors active in GPM in Iraq indicated that the DAD was missing a great deal of project data, especially in the areas of democracy and governance. Notably, technical assistance projects being implemented by the United States, the largest donor in Iraq, often did not appear in the DAD. The DAD primarily listed construction projects rather than the technical assistance and training initiatives that are more relevant to GPM initiatives. In general, it became evident during the course of this study that the DAD was not universally recognized by donors or Iraqi officials as the central source of information on donor-supported interventions in Iraq. As such, reporting to the DAD has not in the past been timely or comprehensive.[7]

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[7] A new version of the DAD that incorporates some of the planned changes discussed later in this report came online in the final days of the project. The two major additions in this new application are the incorporation of a dataset categorized using the IMF Sector Codes and the entry of a number of National Budget Public Investment Projects (PIP). As discussed later, this report does not include this data in its quantitative analysis primarily because the data are categorized by

During the course of this project, the quality of the data in the DAD did improve as a result of two initiatives. First, the United States provided substantial project data in mid-fall 2006. Second, the CSIS project team worked with major donors and the MoPDC to improve information flows. Based on the project team's interactions with major donors, as shown in figure 1.1, we now assess that the DAD captures around 60 percent of GPM projects in Iraq, albeit only 35 percent of the monies committed.

Figure 1.1. Comparison of GPM Project Data in the DAD versus Total GPM Projects Mapped, as of January 9, 2007
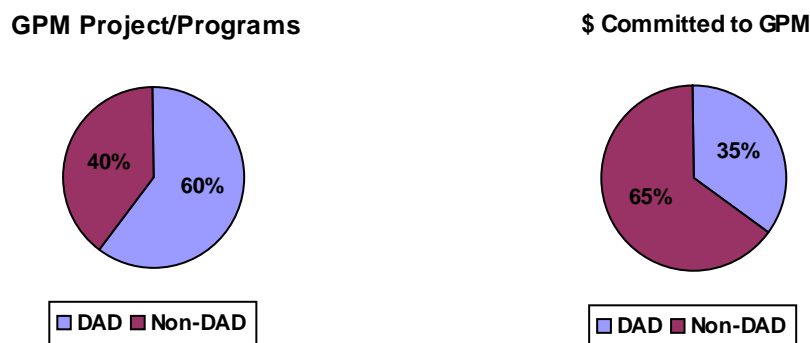
The data included in our mapping include all DAD and non-DAD GPM projects—completed, ongoing, and scheduled—in Iraq from April 2003 through January 9, 2007, when the CSIS project team last generated a report from the DAD-Iraq. It should be noted, however, that not all of the data in the DAD and from other sources are up to date. For example, 17 of the 30 projects marked "Ongoing" in the DAD, have project end dates of December 2006 or earlier. Whether this represents slipping project timelines or outdated data is not clear.

Furthermore, two major caveats need to be made to the data presented here. First, the United States and coalition partners such as the United Kingdom, Australia, Italy, and Spain, have provided several score of technical advisers directly to Iraqi ministries since April 2003. Most of these personnel have been government secondees or contracted personnel. Their contributions are mostly not projectized and hence not captured in available reporting. In order for the DAD to be truly representative of donors' investment in Iraq, the DAD should include a mechanism for tracking funds expended by coalition members on seconded personnel.

Second, neither the DAD nor bilateral donor reports include assistance provided via Multi-National Force–Iraq (MNF-I). MNF-I has provided substantial assistance to the Iraqi Security Forces and the Ministry of Defense and Ministry

ministry rather than by sectors and subsectors, and "sector" is not a filtering option when in the PIP project list.

of Interior, as well as intelligence agencies, much of which could fall under our definition of public-sector reform and capacity building.

It should also be noted that there is some ambiguity regarding what information the DAD reports from multilateral organizations such as the World Bank and the UNDG Iraq Trust Funds (ITFs) in relation to donor pledges. Many donors give monies to the multilateral trust funds in addition to giving monies on a bilateral basis. Ideally, combining these amounts should total the amount a particular donor has pledged. However, the DAD-Iraq lists the multilateral trust funds as donors alongside bilateral donors. Hence, bilateral donors' individual project totals reported in the DAD will fall short of the total monies that donors have pledged since the DAD does not provide an itemized list of monies that bilateral donors have given to the trust funds. Clear reporting SOPs and systems of accounting are central to the integrity of the DAD.

Mapping: The Findings

This section summarizes the findings of the mapping undertaken during the project. The detailed project data can be found in annex 2. The charts below provide maps of GPM monies committed according to the project's five GPM focus categories, the DAD-Iraq's own subsector categories, and by donor. As explained in the previous section, these maps include project data contained in the DAD-Iraq and data obtained through consultations with individual donors. Given the problems discussed in the previous section, the assessments presented here should be regarded as first cuts in the area of GPM and should not be considered a stringent accounting exercise.

Figure 1.2 shows that the total GPM monies, including monies recorded in the DAD, committed across the project's five key GPM categories is approximately $353 million.

The figure includes nearly $50 million committed to anticorruption projects, while no monies clearly correspond to civil service reform projects. The data also show $1 million designated "undefined," which is a subsector categorization under Governance and Democracy Development in the DAD-Iraq. The obvious uncertainty in figure 1.2 lies in the large number of projects that were considered to contribute to GPM capacity building but were identified as "Blank." This designation means either that a project's subsector field was left blank in the DAD or that the CSIS project team could not assign the project a DAD subsector—or even a CSIS/World Bank (WB) subsector—due to the fact that in most cases, these projects address multiple subsectors. Projects that fall into this "Blank" category include the WB ITF's First Capacity Building project ($3.6 million), the WB ITF's Second Multi-Sector Institutional Capacity Building project ($7 million), USAID's National Capacity Development Program ($165 million), Japan's Trilateral Technical Cooperation for Iraq (Statistics) project ($1.1 million), and Norway's Iraq Living Conditions Survey 2004 ($2.4 million).

Figure 1.2. GPM Monies Committed by World Bank/CSIS Project Categories, April 2003–January 2007 (in U.S.$ millions)
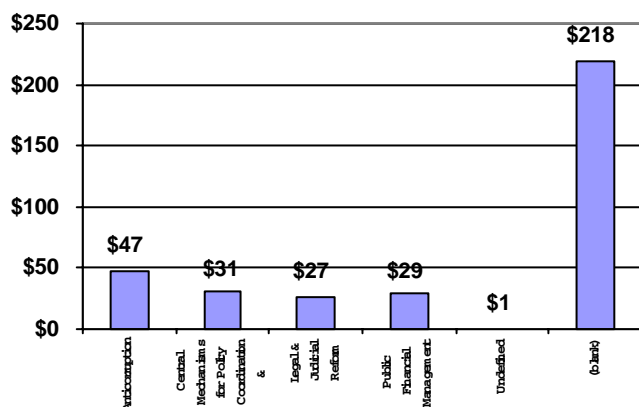

Figure 1.3. Division of GPM Monies Committed by DAD Subsector, Including Unassigned "Blank" Projects, April 2003–January 2007
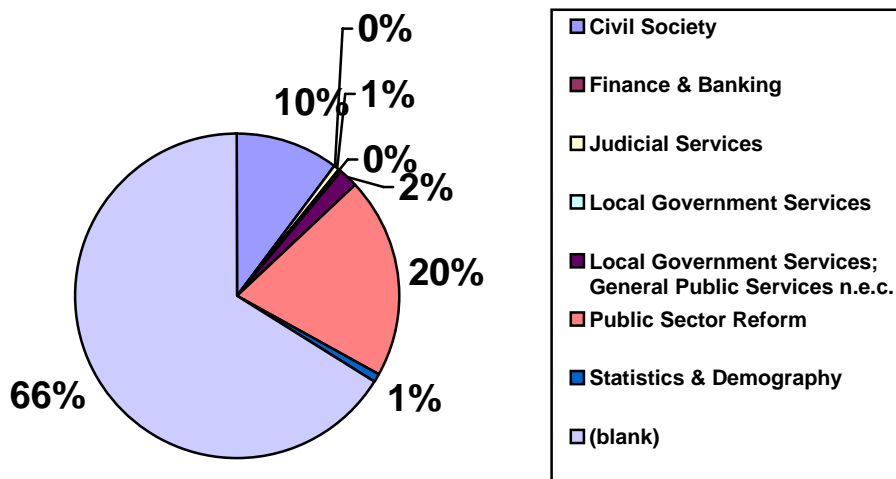

Figure 1.3 maps donor activities according to the existing DAD-Iraq subsectors by total GPM monies committed, including "Blank" monies. Figure 1.4 shows a map of committed GPM monies that excludes these unassigned,

blank monies to present a clearer picture.[8] Figure 1.4 demonstrates that, of those GPM projects that have been assigned a sector, Public Sector Reform has received the greatest attention, accounting for 59 percent, or more than $70 million, of the total GPM project monies committed to projects assigned a DAD subsector. After Public Sector Reform, Civil Society projects have received 30 percent, nearly $36 million. After that, the next largest portion of funds has gone to Local Governance Services–General Public Services, accounting for 6 percent or about $7.5 million. By contrast, very few monies have been committed to the areas of Finance & Banking and Judicial Services.

Figure 1.4. Division of GPM Monies Committed by DAD Subsector, Excluding
   Unassigned Blank Projects, April 2003–January 2007
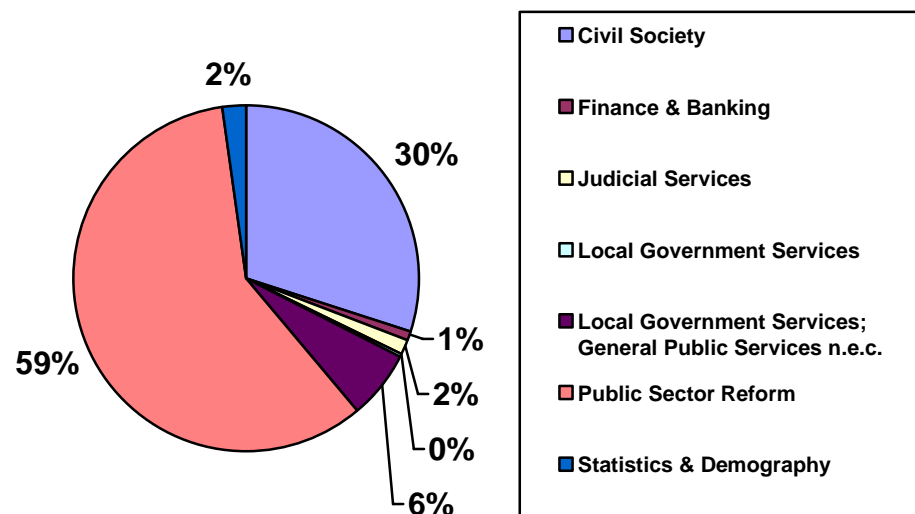
Figure 1.5 provides a somewhat more dynamic picture of GPM activities in Iraq. It divides committed GPM monies by project status. Figures 1.6 and 1.7 take this a step further by breaking down the $20 million in completed GPM projects and the $269 million in ongoing GPM projects by DAD subsector. Since donors do not often update their project data in the DAD, there is some uncertainty surrounding projects listed as ongoing. For instance, 17 of the projects listed as ongoing have end dates that have already passed.[9]

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[8] Figures 1.3 and 1.4 map GPM projects using the DAD-Iraq's subsector categorizations and, as such, include the ambiguous "General Public Services" double subsector categorization. As explained earlier, the DAD-Iraq handbook does not explain what General Public Services means or why certain projects have been assigned two subsectors under Governance and Democracy Building.

[9] The DAD provides additional options for Project Status that are not included here for two reasons. First, in most cases, projects were not classified as having these alternative statuses. Second, the terminology used in the menu of DAD status options is not identical to that found in

Figure 1.5. Overall Status of GPM Project Monies in Iraq, in U.S.$ Committed, April 2003–January 2007
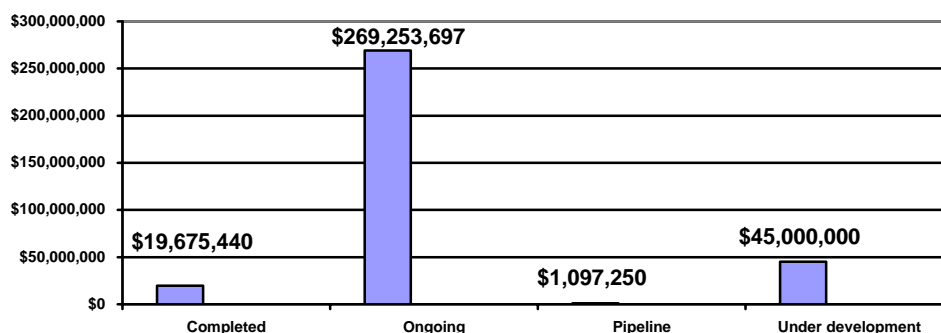
Figure 1.6. Completed GPM Projects by DAD Subsector, in U.S.$ Committed, April 2003–January 2007
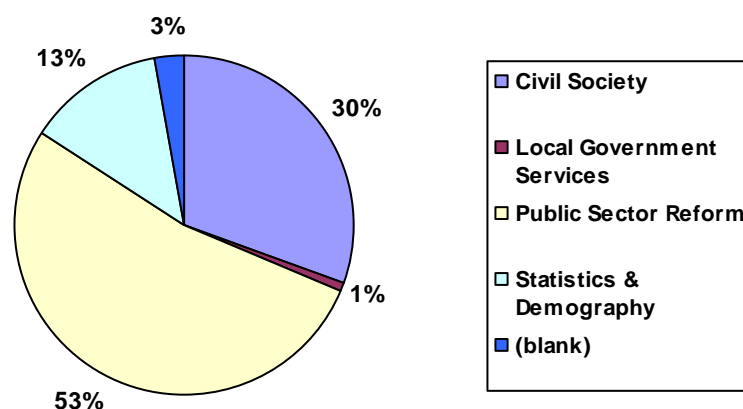
specific project records or to the options that appear in DAD project reports. The project data include projects whose status is listed as "Processing a Scope of Work" and "SoW Complete; Awaiting Independent Government Cost Estimate." However the DAD's status menu does not include these statuses. Rather, the menu options are "Cancelled" and "Unfunded." Therefore for the sake of consistency, figures 1.5, 1.6, and 1.7 use only those status classifications that appear in both places in the DAD and that lend the most insight to the rate of project implementation and disbursement of funds.

Figure 1.7. Ongoing GPM Projects in Iraq by DAD Subsector, in U.S.$ Committed, as of January 2007
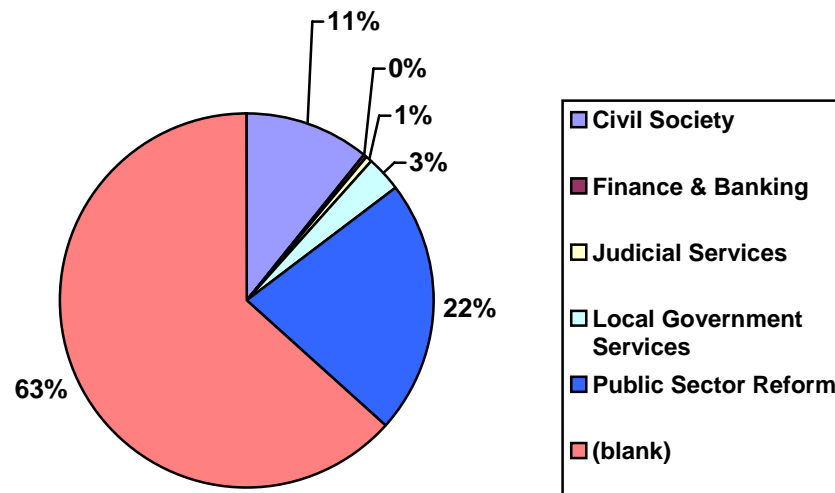
Only 3 percent, $525,000, of completed GPM project monies has not been assigned a DAD subsector, while 63 percent, about $170 million, of ongoing GPM project monies has not yet been assigned a DAD subsector. Our initial hypothesis was based on the assumption that "completed" projects have usually been fully updated, while there is often a lag in updating ongoing projects. It turns out that the $170 million worth of GPM projects with no DAD subsector assigned actually represents only three ongoing projects. These are USAID's National Capacity Development Program ($165 million) and two projects being implemented by CIDA, the Middle East Good Governance Fund ($3.75 million), and the Iraq Good Governance Program ($1.5 million). The project team did not categorize these projects into GPM subsectors because they cut across multiple sectors and subsectors.

Meanwhile, as shown in figure 1.8, 17 (or 57 percent) of the 30 GPM projects listed as "ongoing" have end dates that have passed. In terms of GPM monies committed, this translates to $62 million (or around 23 percent) of the $269 million of total GPM monies committed to ongoing projects. Such a significant portion of the total reinforces the importance of the question of whether these overdue end dates represent slipped timelines or simply outdated data. If the DAD is to be used as a tool for evaluating donor performance, and the above calculations are one of the means of measuring performance, donors should have an incentive to maintain the currency of data in the DAD.

Figure 1.8. Proportion of "Ongoing" GPM Projects and GPM Monies Committed
    with Passed End Dates

Ongoing GPM Projects/Programs

43%

57%

☐ Future End Date ■ Passed End Date

Ongoing GPM $ Committed

23%

77%

☐ Future End Date ■ Passed End Date
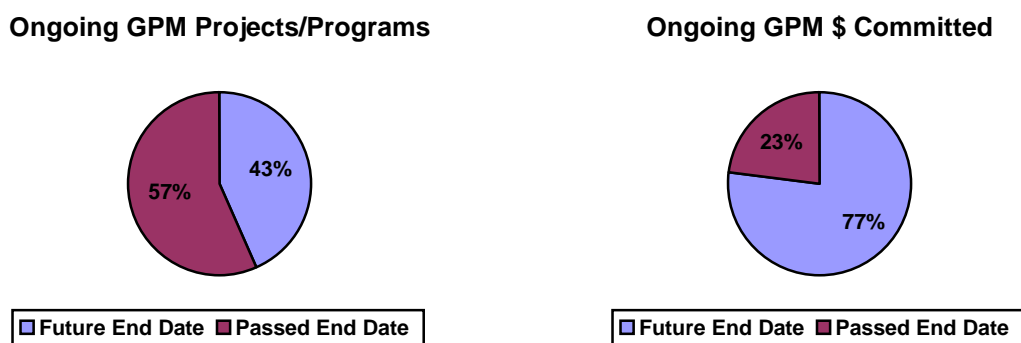
Figure 1.9. GPM Monies Committed in Iraq by Donor, April 2003–January 2007
    (in U.S.$ millions)

$250.0

$228.0

$200.0

☐ Canada
■ EC
☐ Japan
☐ Korea
■ Norway
■ Spain
■ Sweden
☐ UNDG.ITF
■ UK
■ US (Total)
☐ WB.ITF

$150.0

$100.0

$66.8

$50.0

$12.1 $3.6 $1.1 $8.7 $2.4 $0.5 $6.6 $11.6 $10.6

$0.0
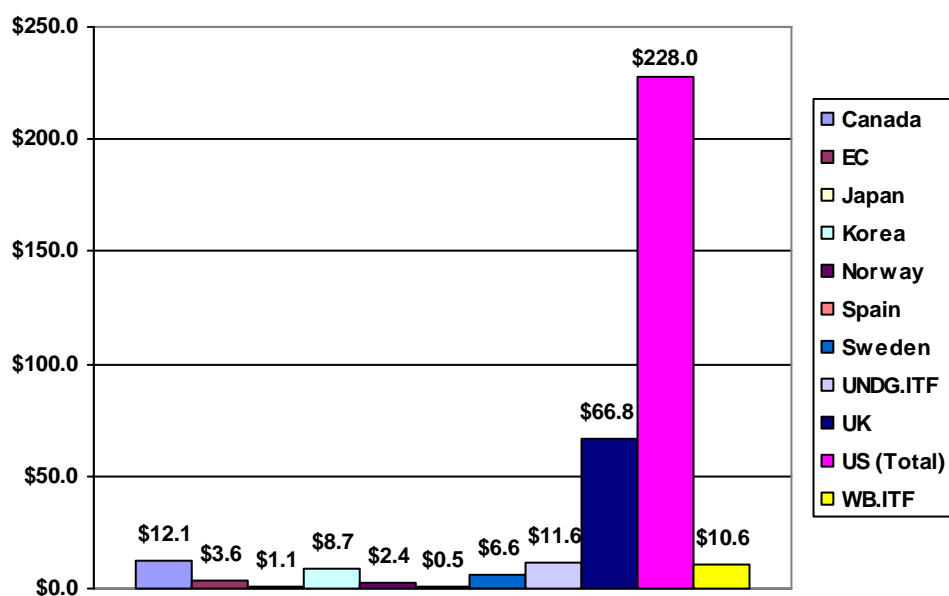
Closer examination of these data reveal that "Ongoing" projects whose end
dates have slipped have disbursed only 29 percent of their project funds
committed while projects that are properly listed as ongoing, with future end
dates, have disbursed less than 1 percent of their project funds committed. Such
results highlight the importance of properly monitoring donor projects in order to
determine whether this gap is the result of delayed reporting or slipping project
timelines combined with slow disbursement of funds.

Figure 1.9 summarizes GPM monies committed by the major donors in Iraq. It is important to recall that many of the projects in the DAD consist of construction and rehabilitation projects. As far as possible, these have been filtered out of the map. Therefore, for instance, figure 1.9 does not reflect the substantial assistance provided to Iraqi ministries by Korea via the Korea International Cooperation Agency (KOICA) in the form of equipment. In terms of remaining spending by donors in the area of GPM, the United States followed by the United Kingdom has committed the most. Unfortunately, it is impossible to discern any useful information about how the U.S. GPM committed monies are allocated across subsectors. Of the $228 million of U.S. GPM monies committed, nearly $227 million worth of projects are uncategorized and blank. Of the miniscule amount of GPM monies remaining, the data indicate that only Civil Society programs and Judicial Services programs have been funded—$316,000 and $790,000 respectively.

Meanwhile, as figures 1.10 and 1.11 show, other donors have been much quicker to disburse funds, or at least to report the funds they have disbursed. According to the data, donors like the EC, Korea, and Norway have been especially efficient in disbursing, or at least reporting the disbursement of, their committed monies.

Figure 1.10. GPM Monies Committed versus Disbursed by Donor (in U.S.$ millions)
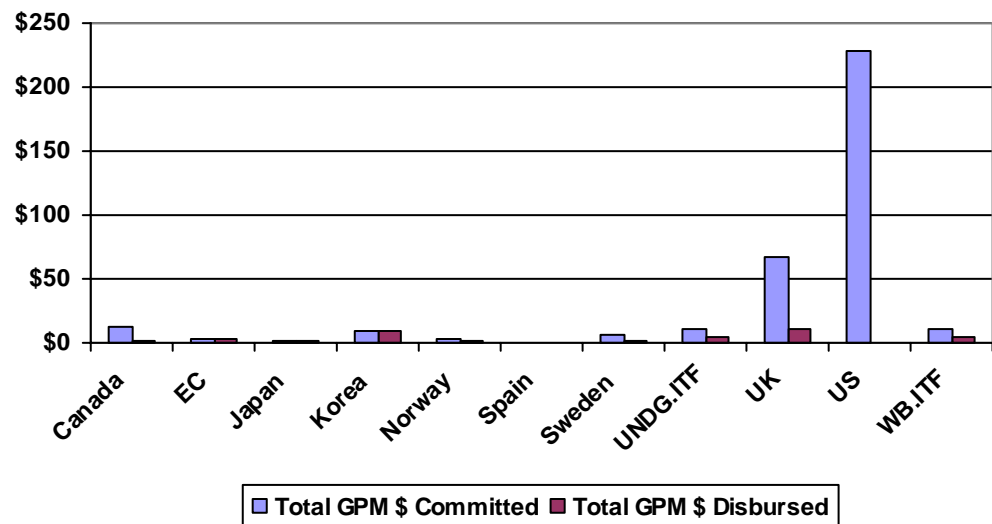
Figure 1.11. GPM Monies Committed versus Disbursed by Donor, excluding the United States (in U.S.$ millions)

Legend: ☐ Total GPM $ Committed   ■ Total GPM $ Disbursed
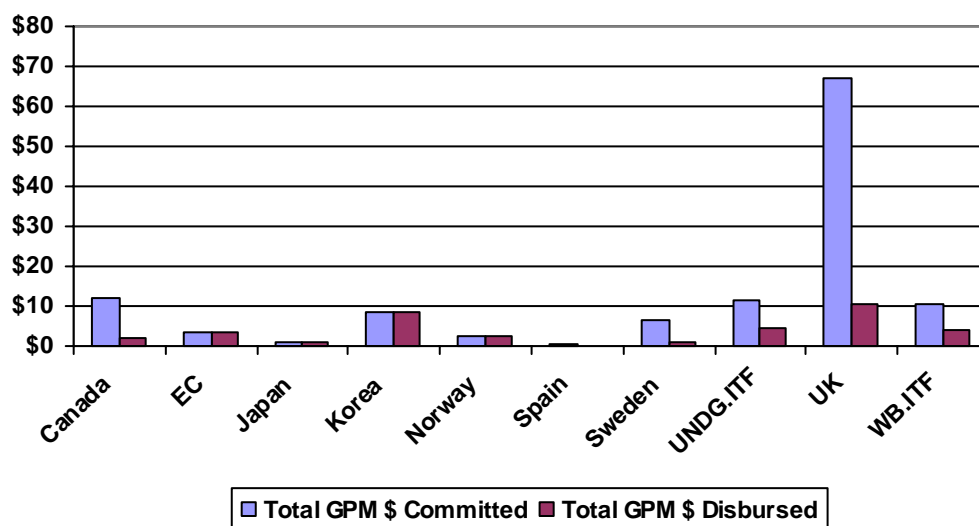
Mapping: Issues and Next Steps

Our experience with seeking to generate an accurate map of donor activity in GPM highlights a number of hurdles that need to be overcome before the GoI and donors can generate accurate, comprehensive, and up-to-date maps of project activity. Although the work undertaken during this project has improved the data quality and has put in place a number of connections between donors and the GoI that should make future updating easier, four challenges need to be addressed fairly urgently.

First, stakeholders must reach an agreement on commonly understood sector structures. Standardization of the sector structure is central to coordination between donors and the GoI. Without agreed upon and commonly employed categories of activity, trend analysis and identification of funding gaps is impossible. Once the sector structure has been agreed, the DAD can more easily function as a tool to update the mapping.

To date, the DAD has been categorizing projects using a sector structure that is a variation of the OECD-DAC sector structure. Our mapping exercise demonstrated the challenges of extracting meaning from this structure, which does not precisely match that used by many of the donors to report Official Development Assistance (ODA) activities. In the near future, the MoPDC plans to shift the DAD sector structure to one based on the IMF Government Finance Statistics (GFS) structure, referred to as the Classification of Outlays by Function of Government, in the IMF's *Government Finance Statistics Manual 2001*.[10] The

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[10] IMF Statistics Department, *Government Finance Statistics Manual 2001* (Washington, D.C.: International Monetary Fund, December 2001), http://www.imf.org/external/pubs/ft/gfs/manual/.

motivation for the shift is to facilitate interoperability between the Financial Management Information System (FMIS) used by the Ministry of Finance (MoF), and the DAD (based in the MoPDC).

Unfortunately, the GFS sector structure does not capture the activities currently grouped under Governance and Democracy Development in the DAD, nor can these activities be mapped cleanly to the official DAC CRS Purpose Codes. Most Governance and Democracy Development projects in the DAD would probably fall under "General Public Services" or will be categorized under other sectors such as Public Order and Safety, Economic Affairs, etc. In theory, the old sector structure will be maintained to allow for projects to be compared and correlated to the GFS structure, but in light of problems with data quality at present, we are skeptical of the ability of the donors and the MoPDC to ensure transparency and alignment between the two data structures and the related data.

Therefore, it may instead make sense for the DAD to adhere to the officially recognized DAC CRS Purpose Codes. The DAC CRS Purpose Codes break down government functions in greater detail than the GFS classifications. The CRS Codes provide greater disaggregation at the sector level, making it easier to align with the GoI's own sectors as reflected by line ministries and the ICI working group structures.

Second, stakeholders must reach a consensus on and implement consistent units of measure. In this study, we have focused on "project funds committed" as the unit of measure. However, it is also helpful to review funds disbursed as an indicator of progress. Whichever measure is used, it will be important to ensure consistency between donors as to which project costs to include. Some donors include overhead costs, notably security, within the figures reported to the GoI. Others do not report this data or report it as a general overhead cost. Given that security can account for 30 to 55 percent of project costs in today's Iraq, the difference is not trivial.

Third, MoPDC staff require additional training to improve their capacity to undertake project mapping. During three working sessions at the MoPDC, the CSIS project team provided advice and mentoring on issues surrounding mapping and categorizing. Our assessment, however, is that the DAD staff require further education to truly understand the various approaches to categorization discussed in this report. They also require further hands-on training to ensure that the DAD operates in a transparent and consistent manner. Since it is often the DAD team that assigns donor projects to categories when entering data in the DAD, the current lack of a rigorous and systematic approach reduces the DAD's utility as a tool for sectoral and trend analysis.

Fourth, stakeholders must ensure that donors comply with GoI requirements to submit and update data to the DAD and that the data submitted are accurately categorized. This point is addressed at greater length below.

In sum, accurate and comprehensive mapping of donor activity and project data is crucial to allow the GoI and donors to evaluate the state of play and to identify gaps. The importance of such mapping is highlighted by the proposed

Joint Monitoring Matrix, which is under development as part of the International Compact. It goes without saying that it will be vital that the JMM adopt a set of categories that are consistent with either the current or the emerging DAD sector structure. This is not to say that the technology should drive the strategy; strategy should drive the technology. Yet some consistent correlation must be established between the DAD sector structure and the ICI working groups.

In the staffs of the Iraq Strategic Review Board (ISRB) and the DAD, the MoPDC has a great asset. The DAD also provides a software platform with great potential. There is no reason why the MoPDC should not be able to build its capacities such that it can provide the GoI and donors with comprehensive, up-to-date, and accurate maps of donor and public investment activity. Such maps will allow the GoI and donors to channel resources efficiently and avoid duplicating effort. However, without resolving the issues noted above, the maps that are produced will continue to be partial and to have limited accuracy.

The Development Assistance Database

In addition to using the DAD as a tool to map GPM projects, our intention was, first, to assess the efficacy of the application and, second, to improve the quality of the data in the DAD as it relates to GPM. We also examined ways in which the quality of the data in the DAD could be improved on an ongoing basis.

Evaluation of the DAD

The Inception Report provided an initial evaluation of the DAD. During the project, we worked intensively with the two versions of the DAD, as well as with the DAD team in the MoPDC. This provided us with excellent insights into the strengths and weaknesses of the technology and, more importantly, the business processes and human capital that govern its operation.

Why Is the DAD Necessary?

Synergy International Systems, Inc., has developed various versions of the DAD under contracts from the United Nations Development Program (UNDP) to track Official Development Assistance (ODA) flows to developing countries from Armenia and Uzbekistan to Thailand and Vietnam. The DADs were designed to be Web-based platforms that would facilitate the gathering and dissemination of real-time information on ODA flows and offer comprehensive analytical tools to analyze ODA data. As described on the Synergy Web site:

> The Development Assistance Database (DAD) is an Aid Management and Coordination system for use in national reconstruction environments that strengthens the effectiveness and transparency of international assistance. DAD is a powerful, Web-based information collection, tracking, analysis and planning tool for use by national governments and the broader assistance community, including bilateral donors, international organizations, and NGOs.

The DAD-Iraq (referred to in this report simply as the DAD) was developed in 2004 by Synergy International System in cooperation with the U.S. government, the MoPDC, and the UNDP. Initially, the server and software were funded by the U.S. Iraq Relief and Reconstruction Fund (IRRF), but the UNDP has been funding subsequent development of the DAD and the training of the core DAD team at the MoPDC. The DAD-Iraq was designed as a tool to monitor the allocation of ODA monies to the GoI. The application is available to the general

public in both English and Arabic at http://www.mop-iraq.org/dad/.[1] As articulated on the DAD Web site, the vision is that the DAD should "serve as a reliable and credible source of information on overall donor contributions to Iraq's reconstruction, economic recovery and socio-economic development, as well as to support the Government in effectively managing development assistance and promoting the accountable and transparent use of resources."

In a complex post-conflict environment like Iraq, the DAD was intended to bring some coherence, transparency, and accountability to an ODA coordination process that, in practice, has often been described as "like herding cats." The DAD can help to achieve the following objectives:[2]

- Identify national priorities for donor assistance and link aid assistance to the national budget, which for the first time in the 2007 National Budget will be based on the IMF GFS sector classifications.[3]

- Enable the effective management of international assistance to the recipient country by tracking donor-funded projects, cataloguing private-sector projects for foreign investment, as well as Public Investment Programs funded by the national budget.

- Provide a consolidated overview, understanding, and impact assessment of the entire assistance effort, facilitating coordination among donor organizations and national government agencies so as to avoid duplication.

- Expand public information on, and awareness of, the reconstruction process.

The DAD is clearly a useful and desirable planning tool for development practitioners and the larger international community to assess progress to date and to determine whether donors are fulfilling their pledges. The DAD has been designed to track Iraq Strategic Review Board (ISRB) approvals of proposed projects, donor funds committed to specific projects, and project implementation, by monitoring project status.

However, the DAD has additional potential, to help the GoI plan and budget its own development funds. First, by providing a central collection point for donor project data, the DAD is a resource for the GoI to identify recurring cost implications and budget accordingly. Second, the DAD is evolving and will ultimately be able to track Public Investment Projects funded by the Iraqi National Budget in addition to development projects funded by international donors.[4] Thus

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[1] Although the Arabic version still has some technical errors such as field headings that are not labeled.

[2] Synergy International Systems, "Donor Assistance Database (DAD)—Fact Sheet," Synergy International Systems, Vienna, Va., http://www.synisys.com/resources/040407DADFactSheet.pdf.

[3] In e-mail exchange, Michael Francino of the UK Department for International Development (DFID) wrote "The conversion to a GFS compliant budget classification was first done for budget 2007. There is, in fact, a change in the breakout by ministry. The big changes affect the former chapter 6, transfers, and the former chapters 5 and 8 which were two different capital chapters."

[4] Hence the name change from Donor Assistance Database to Development Assistance Database. A newer version of the DAD-Iraq that came online at the conclusion of this study includes approximately $19.1 million of Project Committed PIP monies. However, as mentioned

the DAD has the potential to facilitate combined sources budgeting as well as resource allocation.

What Are the Problems with the DAD?

While the DAD is the most comprehensive source of information on donor activities in Iraq, we found that it currently falls short of providing a complete picture, particularly in the areas of GPM and capacity building. The DAD provided only a rough, first-cut compilation of GPM projects for the map in the previous section. At the outset of the project, we observed that the DAD was not capturing most of what the team knew to be existing and past GPM-related projects.

As discussed in the Inception Report, experts at a September 2006 donor conference in Amman estimated that the DAD only accounted for $8.6 billion, or approximately 38 percent of the "entire assistance" to Iraq since 2003. As shown in figure 1.1, further investigation revealed that of the $353 million we have calculated as being allocated to GPM projects in Iraq, only $125 million, or 35 percent of the total GPM monies committed in Iraq appear in the DAD.

There appear to be three sets of reasons for the gaps in the data reflected in the DAD. First, definitional and categorization differences between donors. Second, the failure of the DAD to impose clearly understood disciplines on donor data. Third, failures by donors to use the DAD properly.

The first definitional problem is that donors use various terms to describe the status of funds pledged to Iraq; these terms do not necessarily correlate with one another or mean what the DAD suggests that they mean. For example, the World Bank Iraq Trust Fund (ITF) Iraq Data Sheet for December 31, 2006, posted on the International Reconstruction Fund Facility for Iraq (IRFFI) Web site, uses the terms "Pledges," "Commitments," and "Deposits" to describe the status of aid monies for Iraq. However, the *UNDG Iraq Trust Fund December 2006 Newsletter*[5] posted on the same site confusingly refers to the status of Iraq's international financial flows with terminology such as "Total Gross Deposits," "Approved & Funded," "Approved Funding Contractually Committed," "Approved Funding Disbursed," and "Projects Operationally Completed."

Even agencies within individual donors often talk past each other because the relevant units of analysis have not been standardized across or even within agencies. For example, in the U.S. Iraq Relief and Reconstruction Fund's (IRRF) 2007 *Status of Funds Report*, the operative unit of analysis is Allocated Funds, which are defined as equaling Apportioned + Actual Obligations + Actual Outlays + Rest of Apportionment. However, in its *Iraq Weekly Status Report*, the Department of State focuses on funds Apportioned, defined as equaling Funds

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previously, we did not include these monies in our mapping primarily because the funds are allocated only by ministry and do not include any type of sector and subsector classification.

[5] *UNDG Iraq Trust Fund December 2006 Newsletter* 3, issue 12, UNDG ITF, New York, http://siteresources.worldbank.org/IRFFI/64168382-1092419001661/21183743/ Dec2006Newsletter.pdf.

Committed + Funds Obligated + Funds Disbursed. Not surprisingly, making coherent comparative statements about which terms refer to which funds is difficult.

Finally, the *Financial Management Law and Public Debt Law* (CPA Order Number 95, signed June 4, 2004) provides, among other financial and accounting terminology, a definition of "Commitment" as "an undertaking to make an expenditure following the conclusion of a binding agreement that will result in payment." Yet the law makes no mention of other definitions related to allocations, obligations, or disbursal of funds, although reference is made to "payments" and "receipts."

This terminology problem also plagues the DAD itself internally. The new version of the DAD that incorporates the IMF GFS sector structure and the PIP project data suffers from inconsistencies. Financial information for the PIP projects is provided in Iraqi dinar (IQD) only, while in the External Assistance and Country Project Activity lists,[6] it is available in U.S.$ as well as in IQD. Furthermore, the PIP list labels funds as "Allocated" and "Expended" despite the terminology for the External Assistance and the Country Project Activity lists being "Committed" and "Disbursed."

The second problem is that the DAD does not do enough to impose reporting disciplines on donors. At the most basic level, the DAD does not require a standardized currency in which donors must report. There is also considerable variance in how donors treat overhead costs (e.g., security, lodging, salaries for expatriates, etc.) and how they report this information in the DAD. For example, U.S. data in the DAD only reflect the cost of a specific project (i.e., materials, labor, etc. for construction projects, and other expenses such as travel and lodging for trainees. U.S. data do not include a separate line item for overhead costs such as life support (security, meals, residence, transport) for the implementing partners. In the case of DFID, recent reporting has moved to citing project costs including overhead. For Sweden, overhead is listed as a unique line item like any other project and titled "indirect project costs."

Furthermore, the DAD does not maintain an audit trail to track the provenance of its data. This has led to considerable confusion. For instance, inconsistencies abound between projects listed in the DAD and projects listed on donors' Web sites. In addition, a portion of each donor's pledged funds goes to the UNDG Iraq Trust Fund and a portion to the World Bank ITF. For instance, most of the European Commission's assistance in 2003-2006 ($788 million of $805 million)[7] went to the two trust funds, together referred to as the International Reconstruction Fund Facility for Iraq (IRFFI). While information is available regarding what lump sum each donor has channeled through the trust funds, the

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[6] This is a new project list that combines External Assistance project data with the GoI PIP project data.

[7] These numbers do not include $130.22 million in humanitarian assistance or $13 million for the EUJUSTLEX program. The source for these numbers is the International Management Group, which is contracted to the EU to implement public administration projects in Iraq. The figures were converted from euros to U.S.$ using the rate of 1=$1.30234 and then rounding.

relationship between these funds and specific projects is not transparent. In some cases, donor contributions to IRFFI are earmarked, in others they are not. Consequently, it is difficult to assess where the various donors stand in terms of spending the funds they have pledged. In order for the information in the DAD to correspond to donor pledges, these accounting methodologies need to be standardized. In addition, the fact that the DAD lists the UNDG ITF and the World Bank ITF as stand-alone donors opens the possibility that there may be double counting of assistance funds.

The third problem with the DAD revolves around failures by donors to use it properly. As evidenced by project meetings and interviews with representatives from several donors active in the area of GPM, there is considerable project information that does not appear in the DAD. The data gap is twofold. First, there are projects and programs that have not been recorded at all in the DAD. Second, there are projects that have been entered in the DAD but that have not been updated in terms of monies disbursed, project status, etc.

We found that donor interest in and willingness to report data to the DAD varied considerably. Some countries are meticulous about reporting and updating on projects. Other countries start with good intentions but do not keep their data current. Some countries show little interest in the process at all. While some of this nonreporting reflects policy preferences by donors that can only be addressed by policymakers, some is due to process or technical issues that the MoPDC could fix.

At present, the process for reporting information to the DAD is unclear, prohibitively difficult and time consuming. Interviews with representatives from several donors revealed that donors were often willing to report information, but did not know how. For example, the Japanese Embassy was unaware that the DAD existed, and DFID staff, while aware of the DAD, did not know that they could and should update their projects, nor did they have a username and password.[8]

Two of the challenges in terms of donor reporting revolve around definitional issues. The first is the issue discussed above of how projects are categorized in the DAD sector structure since this structure does not match exactly the categories that donors use. The second definitional issue relates to how donors choose to report their data in terms of projects or programs. Some donors report their data at the macro-level, with one line item referring to a program that actually consists of several activities. Other donors, such as the United States, report their data at the micro-level, with every activity constituting a "project." The distinction is important for auditing purposes because many "programs" allocate funds to activities across several sectors.[9]

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[8] With CSIS project facilitation, both situations have now been remedied and DFID has updated its data in the DAD.
[9] In the case of the United States, for instance, the MoPDC has requested that activities be reported at Task Order level.

Two additional definitional issues arise with the newest version of the DAD that came online at the conclusion of the project. First, while the DAD seeks to establish an overall picture by providing combined sources budgeting, the project funds in the PIP data are categorized by ministry, while in the External Assistance list and the Country Project Activity list, they are classified by structure. This makes it harder to gain a clear understanding of the distribution of resources. Second, analysis of GPM activities cannot be undertaken using the IMF sector structure. There is no way to use the IMF sector classifications to identify where projects falling under the "Traditional" DAD sector titled "Governance and Democracy Development" fall under the IMF sectors. Moreover, the parameters for "General Public Services" do not appear to have consistent guidelines.

Compounding all of the above problems with the DAD, are several technical issues that significantly reduce the utility of the application and make donors reluctant to invest time to input or update data.

- During the course of this study, the DAD was chronically offline and inaccessible. While this unavailability may owe in part to the fact that Synergy has been in the process of implementing a newer version of the DAD, if the DAD was frequently inaccessible to the CSIS project team, it was likely also inaccessible to donors and MoPDC personnel.

- The DAD application is often unwieldy, rendering it difficult if not impossible to access or to generate reports from certain locations. Internet access that is heavily protected by a firewall (e.g., most government networks) or locations with limited bandwidth make using the DAD prohibitively slow.

- A major impediment to manipulating the database for analytical purposes is the limited flexibility in querying options. Much of this has been remedied in the version available as of early January 2007. However, the fact that the querying function keeps evolving means trend analysis is difficult, since new reporting options do not correlate to earlier reports.[10]

Recommendations: How Is the DAD Being Improved, and How Could it Be Further Improved?

During the course of the project a new version of the DAD-Iraq came online that has significant improvements. Among these are more flexible reporting options and a new sector structure based on the IMF's GFS structure (that is meant to retain the old sector structure and to show the crosswalk between structures).

In light of the CSIS project team's evaluation of the existing DAD-Iraq application, and notwithstanding the improvements expected when the new version of the DAD comes online, we recommend the following to improve the utility of future versions of the DAD-Iraq:

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[10] This includes the fact that field titles keep changing. For example, the field from the late 2006 version of the DAD entitled "Amount Requested" no longer exists in the newest version and appears to have been replaced by "Project Cost." It was only by extensive analysis of the dataset for GPM projects that this became evident.

- Standardize the sector structure so that it is unchanging and internationally acceptable;

- Create incentives to induce donor buy in so that data is regularly updated and therefore more usable;

- Develop and disseminate detailed but simple standard operating procedures (SOPs) in the form of guidelines to ensure that reporting is timely, by establishing a regular reporting cycle, and consistent, in terms of accounting terminology and what is included in project costs (e.g., how overhead costs are represented);

- Technically improve the DAD to make it more usable, for example, make data more quickly and easily downloadable into Excel to give users more flexibility in sorting, filtering, etc. to meet their specific analytical needs without requiring the DAD to move away from prioritizing its core functions as a reporting tool for the government of Iraq.

Donor Reporting to the DAD

We found that there is considerable confusion among donors as to how project data should be transmitted to the DAD. There are no written and disseminated standard operating procedures for reporting data, so reporting is ad hoc at best and tends to vary widely by donor. Some donors, such as Canada and the EC, have kept their project data up to date for the most part. Other donors have not been as successful, although it became clear that many donors were willing to report their project data but either did not know that they were supposed to (e.g., the United Kingdom) or did not know how (e.g., the United Kingdom and Japan).

Not surprisingly, the case of the United States is most complicated. In theory, the central data collection point for U.S. assistance data is the Iraqi Reconstruction and Management System (IRMS) database. Ideally, data from this database should be transmitted to the DAD. However, there are technical and bureaucratic obstacles. At the technical level, it appears that IRMS was designed under a contract with the Project Contracting Office (PCO) as a construction project management tool. The database was therefore not designed to capture "softer" development projects, in particular, capacity-building projects such as training, technical assistance, etc. The IRMS reports data by individual project, rather than by a program with a set of specified activities. Hence, updating the DAD with IRMS project data is likely to be unrealistic.

Furthermore, there appear to be considerable bureaucratic obstacles to gaining access to the IRMS. During the course of this project, neither the CSIS team nor the MoPDC were able to overcome these obstacles and access the IRMS in order to make an independent evaluation of it. However, a direct connection has now been established between the IRMS managers and the World Bank's office in Baghdad that one hopes will overcome these obstacles.

As evidenced by these examples, the means by which project data are updated in the DAD varies considerably by donor. Through interviews and donor

questionnaires, we learned the following about how different donors have been dealing with the DAD.

- *United States.* Given the sheer volume of U.S. data, it is not feasible or practical to update the DAD on a project-by-project basis. The IRMO senior adviser to the Ministry of Planning currently sends a project spreadsheet to the DAD team on an ad hoc basis every few months. However, this mechanism is based on personal connections. When this senior adviser leaves, the MoPDC runs the risk of losing its supply of data from IRMO. Both the United States and GoI would benefit greatly from formalizing the channel of communication between the IRMO Information Management Unit (IMU) and the DAD team at the MoPDC. The IRMO IMU, as the central collection point for U.S. data, should transmit updated spreadsheets to the DAD team.[11]

  As an indication of the challenges in mapping U.S. projects using the DAD, while members of the CSIS team were in Baghdad in November-December 2006, the DAD team received a data dump from the United States that almost doubled the number of U.S. projects covered in the DAD. Most of these are USAID projects. It is here, under USAID and in the form of technical assistance and training rather than construction, that the majority of GPM-related activities fall. The monies related to these projects are included in our analysis. However, we were unable to filter out those that truly correspond to GPM, since the project titles have been kept confidential by USAID. Therefore, we defaulted to whatever subsectors the DAD had assigned to the projects and counted all USAID projects classified as Government and Democracy Development as GPM, since more specific distinctions could not be made.[12]

- *United Kingdom.* During the course of the project, DFID provided its project spreadsheet to the DAD once, but DFID has not been in the habit of regularly updating this information. A meeting with DFID staff in Baghdad and with a UK-based DFID representative via teleconference led to an agreement that DFID will start updating its data directly in the DAD. The DAD team at the MoPDC has been put in direct contact with the DFID representative in the United Kingdom, and the parties have reviewed the updating process. DFID should now be able to regularly update its data.

- *Canada.* The Canadian International Development Agency (CIDA) has updated its project data regularly in the DAD. The project information is currently being maintained by Canadian representatives in Baghdad and Ottawa.

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[11] As a work-around, the CSIS project team facilitated a meeting including the lead MoPDC DAD team representative, the USAID staff member who is currently handling the information on USAID projects, and the lead DAD core team member.

[12] It should be noted that the confidentiality of project titles stems from USAID's security-related concerns about reprisals on facilities and people associated with U.S.-funded projects. Despite this continuing concern, USAID staff, in meetings with the CSIS team in Baghdad, proved eager to be as compliant with the DAD as time and resources allow.

- *Japan.* Japan has not been updating its data regularly. However, a representative from the Japanese embassy in Baghdad, after consulting with Tokyo, supplied updated data on governance and capacity-building projects to CSIS. CSIS has now established a direct dialogue between representatives at the Japanese embassy and the DAD team at the MoPDC.

- *United Nations.* The United Nations does not have a regular schedule for updating its data in the DAD, but has undertaken several data dumps. After consulting directly with the UNDP representative in Amman who is responsible for much of the DAD-related reporting, the project team established that the United Nation's data in the DAD-Iraq are mostly complete.

Taken together, these individual cases point to the need to establish and disseminate SOPs for donors to follow to regularly update their project data in the DAD. Donors would do well to regularly update their project data in the DAD to demonstrate that their project timelines are not slipping and to accurately reflect their rate of disbursement.

Next Steps for Reporting

The level and quality of donor reporting to the DAD is highly variable. This is in part due to definitional and technical problems that the MoPDC needs to resolve. But it is also the result of a failure by some donors to abide by the commitments they have made both under the Paris Declaration and to the GoI.

In the Paris Declaration on Aid Effectiveness, first adopted at the High-Level Forum on Harmonization in Rome in February 2003, donors made a number of commitments to partner countries. Among these is a commitment to transparency, namely to: "implement, where feasible, common arrangements at country level for planning, funding (e.g., joint financial arrangements), disbursement, monitoring, evaluating, and reporting to government on donor activities and aid flows." In addition, the "donors commit to: provide timely, transparent, and comprehensive information on aid flows so as to enable partner authorities to present comprehensive budget reports to their legislatures and citizens."

Twelve indicators mark progress towards the 2010 targets related to the Millennium Development Goals. Of these, three relate to information sharing. A note on Indicator 9, "Use of common arrangements or procedures," is particularly relevant to the issues facing coordination among donors and between the donor community and the GoI. The note acknowledges in particular the need for "a formalized process for donor co-ordination and harmonization of donor procedures for reporting, budgeting, financial management, and procurement."[13]

However, the Paris Declaration does not specify exactly what constitutes "reporting." One donor in Iraq, for instance, inquired whether simply giving the MoPDC rights to view the donor's project database would count as "reporting."

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[13] "Paris Declaration on Aid Effectiveness," http://www.oecd.org/document/18/ 0,3343,en_2649_3236398_35401554_1_1_1_1,00.html.

Our view is that the definition of what constitutes adequate reporting should be set by the GoI. By this measure, we concluded that many donors are not complying with the obligations set forth in the Paris Declaration. While all of Iraq's major bilateral donors in the area of GPM (Canada, Japan, the United Kingdom, and the United States), as well as its multilateral donors (World Bank, UNDP), are listed as adherents to the Paris Declaration, some have not provided adequate and timely reporting to the DAD.

The International Compact for Iraq is due to be launched in early 2007. Built on the Four Pillars of the Comprehensive Development Framework, the ICI addresses the data quality issue and "stakeholder access to development information" under Pillar 4, "Achieving a Results Focus." To support implementation of the ICI, an accompanying Joint Monitoring Matrix is intended to provide better donor accountability.

In order to improve the rate of donor reporting and to make the process less onerous for both the GoI and for donors, we recommend that:

- First, donors need to be provided clear SOPs on the ISRB project approval process and the role of the sector working groups. This will enable the ISRB to function as the central coordinating mechanism it is meant to be.

- Second, donors need to be provided with clear SOPs related to reporting to the DAD. These procedures will help the DAD to truly become the central tool for recording donor commitments and project status. In addition to posting these SOPs on the MoPDC Web site,[14] the MoPDC and when appropriate, the Ministry of Finance, must be proactive in disseminating this information to donors and to the ministries. Draft SOPs, developed during this project by the CSIS team in coordination with the MoPDC, appear in annex 3.

- Finally, donors need to nominate staff specifically responsible for the provision of timely data that is consistent with these SOPs. Because we interpret the reporting requirement in the Paris Declaration and the International Compact with Iraq to mean that donors submit the data to the GoI in the form in which the GoI specifies, donors must allocate the resources required to establish systems that will allow them to provide the data in this form.

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[14] The Web site, http://www.mopdc-iraq.org/, must also be regularly maintained by the MoPDC. In past weeks, it has frequently been offline.

Capture Evidence on Effectiveness

As laid out in the Project Proposal, the CSIS project intended:

- To strengthen the capacity of the MoPDC to monitor and assess the impact of donor interventions on GPM.

- To improve the ability of the GoI and donors to design more appropriate GPM interventions and to come to a shared understanding of how best to approach future assistance designed to support public administration capacity building.

To accomplish these objectives, we intended to work with MoPDC counterparts to conduct an analysis of donor activity within and across the five broad priority components of GPM in order to assess the relative success of efforts to date and their overall coherence. Our intention was to undertake this investigation through further evaluation of project evaluations that would focus on which donor efforts have worked well, which have been less successful, and what the primary obstacles to successful donor interventions have been and are likely to continue to be in the future. The ultimate goal of these efforts was to develop a shared understanding of the effectiveness of past GPM interventions and to draw lessons for the impact of future programming in capacity building and GPM. During the course of the project, the need to conduct this type of analysis was reinforced by frequent suggestions by MoPDC staff (e.g., Deputy Minister Faik al-Rasool) that "nothing had been achieved in the past three years."

In the event, it proved unrealistic to engage MoPDC in labor-intensive evaluation activities. Instead, we concentrated the bulk of project activity and bilateral work with MoPDC counterparts on much more basic organizational and data-gathering tasks. Therefore, we sought to undertake this task ourselves by requesting evaluations from donors. We eventually obtained evaluation documents from DFID and from USAID.[1] The MoPDC also provided a copy of a feasibility study that was written prior to the 2003 conflict.

Lessons Learned from Donor Evaluations

We were unable to access a wide set of project and program evaluations from donors working in Iraq. Nonetheless, the observations made in the evaluations that we did access provide some guidance for future capacity building and GPM programs in Iraq.

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[1] Despite repeated attempts, we were never able to obtain any Iraq-related project evaluation documents from the World Bank.

Donor evaluations and observations repeatedly note that institutional capacity building remains a critical need of the Iraqi economy, given previous central planning and the absence of legal, political, economic, and regulatory institutions necessary for the development of a successful market economy.[2]

In terms of delivering assistance, the most important finding, unsurprisingly, is that security overrides all else. Security adds costs, complicates logistics, and is a disincentive to a free flow of information and to working collaboratively across sectors/ministries. Furthermore, insecurity causes officials to focus on survival rather than on long-term institution building.[3] In terms of managing donor activities, it appears that central mechanisms for resource pooling, including the IRFFI, have advantages in prioritizing Iraqi rather than donor needs, streamlining the coordination of multiple donors in the same sector to conserve scarce Iraqi capacity, and facilitating the coherence of policy advice.[4]

A number of lessons can also be drawn on approaches to program design and delivery.

- Best practice demonstrates that ownership is required for success and sustainability.[5] "The urgency attached by Iraqis and the CPA alike to restoring basic infrastructure and services to show Iraqi citizens beneficial results from the occupation, led to an emphasis on completion of projects with visible results. At the same time, building local capacities and ownership requires effective citizen participation in activity selection, planning, implementation and maintenance; and that, in turn, cannot proceed faster than the time required to effectively involve local leaders, communities and other citizen groups."[6]

- "While implementing projects through government agencies helps to modernize public sector management systems, the reliance on recipient execution also affects the pace of implementation."[7] Limited GoI capacity can cause donors to push too fast and to "replace" Iraqi capacity with their own in order to meet deadlines set in distant capitals.[8]

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[2] Management Systems International, *USAID Assistance to Iraq: A Program-Wide Evaluation, First Year of Operations March 2003–March 2004*, July 2004 (hereafter cited as Monitoring and Evaluation Program Performance or MEPP), p. 45. This is a nonpublic document on file with the CSIS Post-Conflict Reconstruction Project.

[3] Andrew Rathmell et al., "Iraq and Beyond; Rebuilding Iraqi Security," *Rand Review* (spring 2006).

[4] Faris Hadad-Zervos, "The World Bank in Iraq: Iraqi Ownership for Sustainability" (working paper, World Bank, June 2005), p. 29.

[5] Ibid.. See also Center for Democracy and Government, *Handbook of Democracy and Governance Program Indicators* (Washington, D.C.: USAID, 1998), p. 23, citing DAC principles for donor assistance.

[6] MEPP, p. 50.

[7] International Reconstruction Fund Facility for Iraq (IRFFI), "World Bank Iraq Trust Fund Report to Donors: Status Report as of June 30, 2006," World Bank, p. 15, http://www.irffi.org/WBSITE/ EXTERNAL/IRFFI/0,,contentMDK:21149329~hlPK:537994~menuPK:64168620~pagePK:64168 627~piPK:64167475~theSitePK:491458,00.html.

[8] Mustafa Nabil, "Reconstructing Iraq: Year One," *Newsletter of the Economic Research Forum* 11, no. 4 (winter 2004).

- At the same time that Iraqi ownership is a primary requirement, outside donors have been constrained in fully supporting local ownership because of their need to avoid leakage, waste, and abuse.

- "The costs of bypassing Iraqi institutions to execute projects outweigh the short-term benefits. In evaluating the performance of the reconstruction program, the Ministry of Planning and Development Cooperation stressed the need to involve local institutions to reduce the high costs of international consultants, and the delays from security related evacuations. The Bank's experiences to date support this; …the Ministry of Education has determined that school rehabilitations managed by the ministry under Bank-financing cost less per unit than those implemented by donors."[9]

- "Although employing competitive bidding procedures can result in initial delays, it also improves fiduciary controls and can generate cost savings. Some ministries acknowledge the benefits of the World Bank's transparent approach to procurement, and have adopted these procedures more broadly. For instance, competitive bidding procedures led to significant cost savings (about US $9 million) in the Textbook Provision Project. The cost savings financed 3.5 million more textbooks than planned under the project. The additional textbooks were printed and delivered by local contractors, extending the impact of the project beyond its original scope."[10]

- Building close relationships with individual counterparts to the point of real trust is critical. This means minimizing the extent to which programs and consultants are seen as an extension of the foreign policy of the implementing government.

- GoI partners should be encouraged to assign individual counterparts (who are expected to retain at least medium-term roles) to donor team members. Individual coaching/mentoring of middle-ranking as well as senior officials increases the chances of long-term traction/sustainability. Working through practical real-life case studies (e.g., coordinating the response to an emergency) can be more effective than formal training. Furthermore, constant engagement on small ad hoc tasks can build credibility with project partners, but care must be taken to work these into overall program objectives.

- Staff loss from partner organizations to other parts of government can have positive as well as negative effects as it spreads capacity.

- Using team members with local cultural and linguistic knowledge can build traction and credibility with local partners, but the process must be managed carefully. As described in the MEPP evaluation, "the Evaluation Team was impressed by the contribution made to the program by a range of Iraqi-Americans and other Arab-Americans."[11]

Additional observations by the CSIS project team are that:

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[9] Hadad-Zervos, "The World Bank in Iraq," p. 30.
[10] IRFFI, "World Bank Iraq Trust Fund Report to Donors," p. 16.
[11] MEPP, p. 80.

- Evaluating project performance in terms of project progress toward completion by disbursement rates is misleading due to the lapse between project implementation activities and the submission of invoices by subcontractors. Other indicators of performance are necessary in order to provide an accurate picture.

- Training of Iraqis in all areas must emphasize appropriate selection of trainees and a clear linkage between training and the needs of their jobs. This was observed first hand by the CSIS team in the MoPDC and was also raised by MoPDC officials in terms of training across the board.

GoI Capacity for Evaluation

Within the MoPDC, there appear to be three possible centers of expertise on Monitoring and Evaluation (M&E). The DAD team has an interest in M&E but is currently in the early stages of building its capability to simply gather and analyze data. The Central Office for Statistics and Information Technology (COSIT) is a center of expertise in statistics and performs many of the same functions as the U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis,[12] collecting data on employment and trade as well as on demographic information and statistics on Iraq's infrastructure (housing, construction, oil and electricity, etc.). The National Center for Consultancy and Management Development (NCCMD) is a consultancy and training center within the MoPDC. It was once used as an educational institute by the entire Middle East.

According to officials from the MoPDC, who provided a copy of a 2001 Ministry of Planning feasibility study to the CSIS project team, the ministry had a project monitoring process in place prior to April 2003. This process has not yet been reestablished within the new ministry, but the report demonstrates that there was preexisting capacity for such studies in the ministry.[13]

In addition to the existing MoPDC structures, MoPDC officials have expressed their intent to establish an Iraqi Agency for Developing Government Performance. The agency would act as an oversight mechanism, not as an auditing body, to assess the extent to which government agencies are accomplishing the results that they have set out through their public investment projects and presumably also in the delivery of services. There is, however, debate in Iraq as to whether such an agency should be located in the prime minister's office (PMO), as is the case in Jordan, or in the MoPDC.

The ICI focuses its implementation strategy and the monitoring and evaluation of that implementation on existing laws and structures. Therefore already existing or envisaged arrangements should not be substantively altered, and the above-mentioned existing GoI structures should be strategically leveraged so as to

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[12] Keith Crane, "Accelerating Economic Progress in Iraq," testimony before the Senate Foreign Relations Committee, July 20, 2005.

[13] Republic of Iraq, Ministry Council Planning Committee, *Study of the Technical and Economical Benefit of Smart Village*, December 2001. This is a nonpublic document on file with the CSIS Post-Conflict Reconstruction Project.

maximize the GoI capacity to achieve results. The Public Resource Management Working Group provides an opportunity to examine how best to achieve this and what, if any, reforms are needed to do so.

Collate and Disseminate Good Practice Materials

One of the intentions of the project was to provide MoPDC counterparts with access to good practice and educational materials on GPM and M&E. The project team spent considerable effort gathering GPM resources from academia, development organizations, international institutions, and donor governments in order to create a knowledge bank for MoPDC counterparts. These have been made available via a GPM project Web site at http://www.al-idara-al-hakoomiya.org/. The site offers an excellent starting point for MoPDC counterparts and other Iraqi officials to research international standards in GPM program development and M&E. It groups together GPM and Iraqi development-related resources, publicly reported donor strategies, information on this project (including a project overview and the Inception Report), and a link to the DAD-Iraq. The English-language Web site also links to an Arabic-language version of the site that replicates information from the English-language site, translated into Arabic, including the Inception Report.

The project Web site was developed independently from the MoPDC with CSIS expertise. The intention is to transfer control of the site to the MoPDC team, perhaps as part of the main MoPDC Web site, which can be found at http://www.mopdc-iraq.org/. However, the sustainability of the site is questionable. The main Web site of the MoPDC is currently not regularly maintained. Therefore, we have arranged for the CSIS project to fund the hosting fees for the GPM project site for one year beyond the end of the project (for a nominal fee). A valuable next step for donors and the MoPDC would be to ensure that MoPDC staff receive the necessary support to maintain and develop this Web site as an educational tool.

Government of Iraq Counterpart Training

The original project design envisaged providing training in GPM and M&E to MoPDC staff at offsite locations in Amman, Jordon, and in the United States. This approach was modified during the project to focus on providing training in Baghdad through a combination of face-to-face seminars and ongoing mentoring. Although training and mentoring were delivered, one of our findings was the lower-than-expected level of capacity among counterparts. Therefore, the training and mentoring delivered had to be at a more basic level than originally envisaged.

Training Delivered

Our original plan was to teach the DAD team and other relevant MoPDC staff:

- how to undertake mapping

- how to understand the substantive components of GPM

- how to perform monitoring and evaluation

After completion of the Inception Report, it was agreed that this training was to be provided through three visits to the MoPDC, rather than offsite, and that the CSIS project team would prepare and deliver materials on M&E practices in Arabic. When we attempted to deliver this onsite training, the sessions were modified on the spot to conform to the actual needs that presented themselves in the course of the meetings. This redirection was effective. While the benefits of the actual M&E training were limited, the M&E session served to clarify priorities and to help the CSIS consultants identify how to best support the Ministry of Planning's actual needs. One of the reasons for the limited impact of the M&E training session was that the majority of the people attending the session were higher-level than was appropriate. Several director generals attended, when in fact these officials are the recipients of reports, not the authors.[1]

The result is that the project delivered limited formal training at the MoPDC; the bulk of the training was via mentoring. We found that we had to work on basic secretarial skills as much as on more advanced skills. For instance, although donor meetings such as the Capacity Development Working Group are organized by Ministry of Planning staff, it became evident early on that a great deal of hands-on mentoring and guidance was needed to assure that scheduling was consistent; that invitations went out in a timely manner to a consistent set of invitees; that meeting minutes were prepared and distributed; and that meetings

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[1] Also in attendance were representatives of the MoPDC Sector Directorates (Housing; Agriculture; Economics; Human Resources; Transportation).

actually took place as scheduled rather than being cancelled due to a lack of preparation.

Future Training Recommendations

Based on the CSIS project team's assessment, and drawing on the experience of Iraqi officials, donors, and other contractors working in Iraq, we propose several recommendations for future training in Iraq that would significantly improve the capacity of Iraqi civil servants to implement their own GPM initiatives. The first recommendation centers on establishing a well-trained donor coordination secretariat in the MoPDC that would facilitate the overall management of the donor coordination process and serve as a model for other sectoral working groups. The remaining recommendations relate more directly to developing analytical and research skills among MoPDC counterparts so as to enable them to better manage GPM projects.

Create a Secretariat on which to Model other Working Group Secretariats

In order to better respond to Iraq's more basic capacity-building demands, CSIS worked with its World Bank counterpart in Baghdad and with the CDWG and its members to establish plans for a secretariat within the MoPDC composed of three officials from the MoPDC. The secretariat is intended to serve as a model for subsequent secretariats in the other sector working groups established by the International Compact. At the December 14, 2006, CDWG meeting, participants agreed on the norms for the secretariat and established a schedule for its creation. Details of these norms can be found in annex 4. The U.S. government agreed that it could provide training and technical assistance to secretariat staff, and the MoPDC committed to providing the staff.

Build Analytical, Research, and Coordination Skills

GPM capacity development in Iraq, and especially in the Ministry of Planning, would benefit greatly from basic training in project development, management, and implementation. This training should boost Iraqi counterpart capacities for analysis, research, and coordination.

- *Iraqi counterparts require technical assistance.* MoPDC staff involved in donor coordination and program review require training in two main areas. First, technical assistance that will help the DAD team to prepare more analytical reports. Second, enhancement of data gathering and liaison skills that will enable the DAD team to understand the gaps in their data and to work with individual donors to fill these gaps.

- *Training should use a case study approach.* When Bearing Point International (BPI) conducted performance management training for staff from the General Commission on Taxes (GCT)—training that included collecting data and filling out performance indicators followed by report writing and data quality

assessment (DQA)—trainees responded better to specific examples than to more abstract theories.

- *Technical assistance must consider the background knowledge and mindset of the target audience so as to better tailor training courses.* One of the challenges BPI encountered was that trainees did not have a background in statistics, nor did they have a strong understanding of cause-and-effect relationships. For example, the BPI trainer needed to point out that just because more cases of corruption are being investigated does not necessarily mean that there is more corruption on the whole. Trainees also had a tendency to consider too many potential causal factors at once. A solid grounding in assessing causal relationships is an important skill to develop for civil servants charged with collecting and evaluating data.

- *Facilitate interaction within the MoPDC.* Bringing together staff from the NCCMD, the ISRB, and especially the core DAD team within the ISRB, should be a priority so that each entity can add value to the other. We discovered that the DAD team was not familiar with the staff of the NCCMD despite the fact that much of the analysis required by the ISRB and other MoPDC staff could be provided by the NCCMD.

Donor Coordination Issues

On December 10, 2003, the Coalition Provisional Authority (CPA) officially handed over responsibility for donor coordination to the new Iraqi Ministry of Planning and Development Cooperation. Regulation 7, which implemented this transition, gave responsibility to the MoPDC to: follow up on pledges and liaise with donors; recommend sectoral allocations, donor work programs, and funding sources to the board; establish guidelines and principles for developmental activity among the ministries; and monitor implementation, including the identification of developmental gaps. Regulation 7 also established the Iraq Strategic Review Board to "provide overall policy guidance and approval for reconstruction activities."[1]

Since 2003, the GoI and international donors have established a range of mechanisms to help coordinate donor and GoI activity—the DAD-Iraq, the Baghdad Coordination Group, and sector working groups. In relation to GPM, the Capacity Development Working Group (CDWG) has been the core focus of donor and GoI interest.[2]

The project intention was to use these existing donor coordination mechanisms to encourage more structured GoI and donor dialogue on GPM issues and to use these coordination mechanisms to build a more shared sense of the requirements and the way forward. However, we found that the existing mechanisms were somewhat chaotic and had limited functionality. An example of the challenges was provided by the CDWG. The CDWG was first established by the U.S. mission. Until the handover of the CDWG to the MoPDC in July 2006, the group met every two weeks and participants included representatives from eight donor embassies (Austria, Australia, Denmark, Japan, Korea, Italy, the United Kingdom, the United States) and a number of Iraqi officials. Since the handover, the group had met only twice before the November 29 meeting and had only a handful of Iraqi officials in attendance.

With encouragement from the MoPDC and certain donors, and the momentum provided by the ICI, the project took a role in moving forward both the CDWG and a smaller, more focused Governance and Public Management Steering Committee. Although this implementation activity went beyond the project's original scope, which was on producing a GPM diagnostic, it was agreed by the project team and the World Bank that such practical development activity would be a good use of project resources.

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[1] Coalition Provision Authority, "CPA Hands Over Authority for Donor Cooperation," press release, December 10, 2003, http://govinfo.library.unt.edu/cpa-iraq/pressreleases/20031210_Dec10_Donor_Handover.html.htm.

[2] In addition to coordination between donors and the GoI, the United States in particular has convened a number of group mechanisms to coordinate U.S. work related, in part, to GPM and capacity building. These include the Joint Task Force on Capacity Development, the Rule of Law Working Group, and the Anti-Corruption Working Group.

What the Project Did

The CSIS team focused on the following donor coordination activities. First, in coordination with the MoPDC and core donors, it founded and serviced the GPM Steering Committee. Second, at the request of the MoPDC, project staff serviced the CDWG. Third, it established direct dialogues between donor reporting entities and the MoPDC's DAD team.

The first area involved the establishment of a Public Management Steering Committee (PMSC). Where the CDWG is meant to address larger, more strategic-level issues, the purpose of the Steering Committee was to provide a forum for various donor representatives to liaise with MoPDC and other GoI personnel and engage in more specific discussions on GPM. The GPM Steering Committee Terms of Reference can be found in annex 5.

The second area, servicing, the CDWG, became important due to the lack of MoPDC capacity to service and manage this working group. Many of the Iraqi officials with whom project personnel interacted lacked basic administrative and secretarial skills. This has a ripple effect in that building capacity in other areas cannot proceed when something as basic as organizing a meeting cannot occur. In response to this problem, the project team concluded that this is one of the priority areas needing support and that the best solution would be to establish a secretariat for the Capacity Development Working Group. As of the last meeting of the CDWG, it was decided that by January 1, the MoPDC would select two to three representatives for the secretariat.

The third area of work, establishing and enhancing dialogues between donors and the DAD, has been covered above.

What Next in Donor Coordination on GPM?

The ICI provides a new opportunity to reinforce these structures and to make them more effective. We recommend:

- That within the Working Group framework established in the ICI, the PMSC and the CDWG finalize agreed upon TORs that cover their focus, makeup, and agendas.

- That the CDWG be provided with a professional secretariat, drawn from MoPDC staff but trained and provided with technical assistance by donors. Agreed upon SOPs for the CDWG (e.g., concerning meeting schedules) should be institutionalized and followed.

- That procedures be put in place for routine reporting to the DAD by donors. In return, the MoPDC should regularly provide reports to donors on the state of donor activity in selected areas, including GPM.

Key Findings and Recommendations

This section draws out the key findings from the analyses and fieldwork conducted by the project and provides recommendations for future work. In line with the Terms of Reference, this section's observations are provided under three headings.

   I. GPM areas that are well covered by donors and where particular gaps and lacunas lie;

  II. the types of GPM interventions that have shown themselves to be most successful, those that have not, and why;

 III. any particularly important or relevant lessons for the future.

GPM Areas that Are Well Covered by Donors and Where Particular Gaps and Lacunas Lie

Our mapping exercise leads us to estimate that donors have funded some $353 million in GPM projects since April 2003. This figure must, however, be treated cautiously due to serious concerns over data quality. Furthermore, the figure does not capture the value of secondees provided by coalition governments or the value of coalition military support to the Iraqi Security Forces or security ministries.

- We assess that the DAD now captures some 60 percent of donor projects on GPM but only some 35 percent of donor funds in GPM. We also note that a majority of donor activities that appear in the DAD have not been assigned subsectors. Hence, the problems with data quality in the DAD and limitations on donor reporting make it extremely hard to produce a reliable, comprehensive, and up-to-date map of past and current donor interventions in GPM. We have noted that anticorruption programs and public-sector reform programs have been relatively heavily funded—for instance, public-sector reform accounts for 53 percent of completed donor projects in GPM—but the quality of the data prevents us from making comprehensive assessments of the balance of effort to date.

- U.S. efforts being coordinated under the rubric of the Ministerial Coordination Team, which include projects addressing anticorruption, budget execution, and procurement-related capacity-building activities, indicate that these areas will be heavily supported starting in 2007. Many of these projects are currently in the development/planning stage. The CSIS team identified those programs in the JTF Capacity Development matrix that most closely correspond to the project's definition of GPM. Most of these projects relate to anticorruption training for GoI officials and programs addressing budget

execution and other aspects of public financial management.[1] For details, refer to the mapping.

- In addition, the absence of a thorough, validated, and GoI-owned needs analysis makes it hard to make an accurate judgment of where gaps may lie. Iraqi needs as expressed in the National Development Strategy are general. The sectoral working groups have, to varying degrees, collated lists of requirements from certain ministries. However, neither the sector working groups, the ISRB, nor the CDWG have been able to produce a comprehensive assessment of needs. In cases where donors do not seek project approval, or go directly to the Iraqi ministries and the ministries do not provide the ISRB with project information, the ISRB does not necessarily know that these projects exist. Hence, the ISRB cannot assess what needs are not being met.

The Types of GPM Interventions that Have Shown Themselves to Be Most Successful, Those that Have Not, and Why

- An overall evaluation of the impact of GPM interventions in Iraq since April 2003 is difficult to derive. Some donors have carried out project specific evaluations, and some agencies of the U.S. government, notably IRMO and Multi-National Force-Iraq, have sought to measure the capacity of Iraqi ministries and local government institutions. Iraqi evaluations of progress have not been systematic and appear impressionistic. As training provided by the USAID Economic Governance Program with Ministry of Finance staff demonstrated, many of the evaluation techniques and analytical processes commonly used in the international assistance community are new to Iraqi trainees.

- An important lesson from this study is the need to assist the GoI to rebuild and modernize its capabilities to undertake evaluations both at the project and at the institutional and system-wide level. What is needed is not necessarily new institutions but the basic skills to undertake such evaluations combined with a political will to commission and prepare studies that may risk offending donors or government departments.

- Many of the "priority" areas identified by donors in their country strategies and their programming intuitively make sense from a cursory analysis of the situation in Iraq. For instance, recent U.S. public-sector reform training has focused on budget execution and procurement since these are evident weaknesses in the system that are damaging efforts at reconstruction and reform.

- The importance of ensuring true "local ownership" in the design and implementation of programs is reinforced by the experience of Iraq. Donors in

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[1] This assessment is based on review of the November 2006 version of a U.S. Joint Task Force for Capacity Development matrix, which was the most recent version as of January 16, 2007.

Iraq have often tended to bypass local systems, to substitute their own capacity, and to be driven by national or agency priorities. Operating in partnership, using local systems, and engaging counterparts in the setting of priorities is slow, often frustrating, and may not meet perceived priority needs (e.g., to ensure immediate service delivery in order to head off public discontent). However, the experience of several donors is that using such partnership approaches can lead to more sustainable results and can also save money.

- A significant amount of effort has been expended by donors in conducting training for Iraqi counterparts, often out of the country. MoPDC officials, and donors, noted in interviews with the project team that much of this training appeared to have been ineffective for two reasons. First, poor selection of candidates for training. Second, lack of an integrated organizational development program within which trainees could make use of their new knowledge and skills.

Any Particularly Important or Relevant Lessons for the Future

- It will be important to build basic administrative capacity in the Iraqi donor coordination mechanisms, notably within the MoPDC, but to also ensure linkages with other ministries. The MoPDC has a legacy of skills and experience, ties to all Iraqi ministries, and an enthusiastic central staff willing and able to improve donor coordination, data gathering, analysis, and evaluation. They labor under enormous constraints that range from the security environment, to their lack of staff qualified in analytical and English-language skills, and even to the dispersal of MoPDC facilities across Baghdad that hampers communications.[2]

- It will be important to create incentives for donors to report project information to the government of Iraq. This can be addressed at a number of levels. First, the GoI and key donors, such as the World Bank, can make compliance an important plank of policy initiatives such as the International Compact for Iraq. Second, the GoI can demonstrate the value of reporting by utilizing the data in its possession to make policy and programmatic decisions. If data is used in this way, then donors will be encouraged to report accurately. Third, the GoI and key donors can work together to enhance the

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[2] The main location in Karadah consists of at least two buildings. The National Center for Consultancy Management and Development (NCCMD) is located at another location 30 minutes away, and the Central Office for Statistics and Information Technology (COSIT) is located 30 minutes away at yet another location. The building that used to house the Ministry of Planning was heavily damaged during the 2003 conflict; it is currently being repaired with South Korean assistance. The dispersal of the facilities, combined with the difficulties and dangers of moving between the locations, means that there is limited communication, let alone coordination, between departments that should be sharing tasks.

definitional, business process, and technical constraints that are bedeviling accurate and timely reporting of donor data in Iraq.

- It will be important for donors to "practice what they preach"—in other words to design programs and projects in close consultation with GoI counterparts and to reinforce local systems where they exist.

- It will be important to adopt a systems approach to institutional development. A great deal of the GPM activity in Iraq since 2003 has consisted of training staff, much of it abroad. Only in some cases has this been undertaken as part of a holistic institutional reform program; the result has been that much of the training has probably had little impact on performance in GoI institutions.

- It will be important to take account of the wider context when designing interventions. One example is that of anticorruption initiatives. An ironic development in the past three years is that international efforts to address fraud and corruption have resulted in near paralysis across much of the Iraqi central government. Donors have, quite rightly, been concerned at the potentials for fraud and corruption in the Iraqi central government and so have sought to put in place anticorruption measures. The Coalition Provisional Authority, for instance, mandated the installation of inspectors general in all ministries, reinvigorated the Board of Supreme Audit (BSA), and established the Commission on Public Integrity (CPI). Vigorous (and sometimes politicized) enforcement by these institutions has however contributed to a risk-averse culture across government contracting and financial departments. This has led to a reluctance to spend funds and hence to a significant backlog in projects.

Recommendations and Next Steps

This study has served as a diagnostic to highlight the challenges in understanding the state of donor activity on GPM in Iraq, let alone understanding the impact of interventions on ongoing and future Iraqi needs. A central finding of the project was that our understanding of the state of play is lower than had been expected and the capacity of the international community in Iraq and of the GoI to monitor developments, let alone to systematically determine requirements or to evaluate progress, is surprisingly poor. These recommendations therefore focus in large part on relatively short-term steps that could be taken to address the problem of understanding. If donors and the GoI could address the technical and administrative/process issues outlined below in the near future, they would be in a much better position to target donor and Iraqi resources more effectively and productively.

To the Government of Iraq

1. Build the basic administrative capacities of the staff of the donor coordination mechanisms (notably ISRB, CDWG).

2. Build additional analytical and evaluation capacity in the MoPDC by ensuring coordination between the ISRB/DAD, COSIT, and NCCMD; seek additional analytical training for key staff; use analytical products to inform government-wide decisions and to brief donors.

3. Improve data collection, reporting, and mapping by settling on a standard for categories and definitions; publishing and enforcing standard operating procedures for donor reporting.

4. Draft a capacity development strategy for Iraq to provide an agreed framework for donor-GoI collaboration on GPM.

To Donors

Donors can support the GoI in the above activities by:

5. Providing technical assistance, training, and even temporary capacity substitution in the MoPDC and the central donor coordination mechanisms (ISRB, DAD, CDWG). One full-time donor representative would suffice to fill the capacity gap in terms of standing up a functioning secretariat with the ministry. Additional short-term (two to three weeks at a time) technical assistance experts would suffice to provide more technical M&E, public financial management, and basic administrative skills training. Barring unforeseen developments, this temporary support would not need to extend beyond the end of 2007.

6. Providing technical advice for the development of a Capacity Development and Governance and Public Management strategy.

7. Agreeing on coherence in categories and definitions in relation to GPM and the DAD, in coordination with the GoI.

8. Conforming to GoI requirements on data reporting.

9. Working with the GoI to undertake comprehensive and unbiased assessments of GoI requirements and making openly available evaluations of past performance.

10. Ensuring that future assistance programs are developed in close partnership with GoI counterparts and that they adopt an integrated institutional development approach as opposed to focusing only on training.

To the World Bank

The World Bank can support the above activities with technical expertise, which should be deployed in Baghdad, and by exercising policy influence in the wake of the ICI to encourage donor conformance with GoI requirements.

11. Ensure that the bank sets a standard for good practice by collating and sharing with the GoI data on projects and on evaluations.

12. Provide technical assistance and training on GPM strategies and monitoring and evaluation to the MoPDC's ISRB, DAD, and COSIT staff.

13. Apply pressure to all major donors in Iraq to ensure that they conform to the principles of the Paris Agreement in their dealings with the GoI.

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Sector Crosswalk

7	DAD-Iraq: Governance & Democracy Development Subsectors	Definition of DAD Subsector	OECD DAC: Government & Civil Society Subsectors	OECD DAC CRS Purpose Codes
7.01	Civil Society	Assistance specifically aimed at improving democracy through the broader participation of civil society in democracy and governance	Strengthening Civil Society	15150
7.02	Constitutional Affairs	Includes legislative assistance, drafting of laws, and implementation of legislation		
7.03	Elections	Includes electoral assistance	Elections	15161
7.04	Judicial Services	Includes all types of legal services, legal institutions, civic structures, legal and regulatory reform (i.e., antimonopoly law), and legal advice	Legal and Judicial Development	15130
7.05	Local Government Services	Includes private sector finance transfers, emergency rescue services, and regional administrations	Government Administration	15140
7.06	Media	Includes radio, television and press, public information campaigns, publication (information) projects, production of educational films, newsletters, printing publishing, promoting democracy through media, intellectual property, copyright laws, freedom of expression and information	Free Flow of Information	15163
7.07	Public-sector Reform	Includes public administration, land and real estate registry, public service, public works programs, human rights programs, civic service, and municipal government and administration, ministries, international law, and central archive development	Government Administration	15140
7.08	Religious Affairs	Includes everything related to or devoted to observance of religious rituals, etc.		
7.09	Statistics & Demography	Includes statistical services and enhancement, immigration registration, refugee monitoring, and support to indigenous peoples	Women's equality organizations & institutions	15164

Annex 2. Donor Map

Governance & Public Management Category	DAD Sector[1]	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
Anticorruption	G&DD	Civil Society	Reconstruction	Civil Society Capacity Building Fund	Canada	DAD	Ongoing	$3,750,000	$563,886
Anticorruption	G&DD	Civil Society	Reconstruction	Iraqi Civil Society Fund	Sweden	DAD	Ongoing	$3,325,000	$865,000
Anticorruption	G&DD	Civil Society	Rehabilitation	Civil Society Forums	UNDG-ITF	DAD	Completed	$1,738,612	$1,738,612
Anticorruption	G&DD	Local Government Services; General Public Services, n.e.c.	Capacity Building	Institutional Strengthening Programme for the Iraqi Supreme Audit Institution (SAI) / Supreme Audit Board (SAB)	UNDG-ITF	DAD	Ongoing	$4,879,535	$0
Anticorruption	G&DD		Technical Assistance	National Strategy for Anticorruption	United States— ESF-07	MCT Program— Anticorruption Subset	Under development	$3,000,000	
Anticorruption	G&DD		Technical Assistance	Iraqi Regulatory Reform	United States— ESF-07	MCT Program— Anticorruption Subset	Under development	$2,000,000	
Anticorruption	G&DD		Technical Assistance	Core Functions Capacity Building Assessment to BSA & IGs	United States— ESF-07	MCT Program— Anticorruption Subset	Under development	$2,000,000	
Anticorruption	G&DD		Technical Assistance	Corruption & Free Market Reform	United States— ESF-07	MCT Program— Anticorruption Subset	Under development	$2,000,000	
Anticorruption	G&DD		Technical Assistance	Assessment of Corruption on Local Gov't	United States— ESF-07	MCT Program— Anticorruption Subset	Under development	$2,000,000	
Anticorruption	G&DD		Technical Assistance	Assessment of Corruption on Local Gov't	United States— ESF-07	MCT Program— Anticorruption Subset	Under development	$3,000,000	

[1] G&DD – Governance & Democracy Development; ED – Economic Development.

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
Anticorruption	G&DD		Training	Targeted Anticorruption & Transparency for Local Gov't	United States–ESF-07	MCT Program–Anticorruption Subset	Under development	$7,000,000	
Anticorruption	G&DD			Core Function Capacity Implementation for BSA & IGs	United States–ESF-07	MCT Program–Anticorruption Subset	Under development	$5,000,000	
Anticorruption	G&DD		Training	Senior Leadership Anticorruption Training Program	United States–ESF-07	MCT Program–Anticorruption Subset	Under development	$2,000,000	
Anticorruption	G&DD		Training	Development of Iraqi Anticorruption Curriculum	United States–ESF-07	MCT Program–Anticorruption Subset	Under development	$2,000,000	
Anticorruption	G&DD		Study & Analysis (Technical Assistance)	Economic Reform & Transparency	United States–ESF-06	MCT Program–Anticorruption Subset	Under development	$2,000,000	
Anticorruption	G&DD		Supply	CPI–Investigative Analysis Package–Link Analysis Software	United States–ESF-06	MCT Program–Anticorruption Subset	Developing SoW	$1,100,000	
Anticorruption	G&DD		Training	CPI–Investigative Analysis Package–Training	United States–ESF-06	MCT Program–Anticorruption Subset	Developing SoW	$0	
Central Mechanisms for Policy Coordination & Management	G&DD	Civil Society		Democracy Training Center	United States–IRRF	DAD	Completed	$109,318	$109,318
Central Mechanisms for Policy Coordination & Management	G&DD	Executive & Legislative Organs	Rehabilitation	Provision of Equipment for Ministry of Planning & Development Cooperation	Korea	DAD	Completed	$0	
Central Mechanisms for Policy Coordination & Management	G&DD	Public-sector Reform	Capacity Building	Support to the Center of Government (SCoG)	United Kingdom–DFID	DAD	Ongoing	$25,194,000	$4,463

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
Central Mechanisms for Policy Coordination & Management	G&DD		Training	Modification to English Language Training Specification	United States–ESF-07	MCT Program–Anticorruption Subset	SoW Complete	$62,000	
Central Mechanisms for Policy Coordination & Management	G&DD		Reconstruction	Iraq Governance Program	Canada	DAD	Ongoing	$1,500,000	
Central Mechanisms for Policy Coordination & Management	G&DD			Middle East Good Governance Fund	Canada	DAD	Ongoing	$3,750,000	$568,493
e-Governance	ED	Finance & Banking	Technical Assistance	Government-wide IT	United States–USAID Economic Governance II	Bearing Point–Iraq		$0	
Legal & Judicial Reform	G&DD	Civil Society	Reconstruction	Special Initiatives for Countries in Transition–Activities in Support of a UN Political Mandate or Governance-related Programs	European Community	DAD	Completed	$3,600,000	$3,600,000
Legal & Judicial Reform	G&DD	Judicial Services	Reconstruction	Support to International Legal Assistance Consortium	Sweden	DAD	Ongoing	$598,500	
Legal & Judicial Reform	G&DD	Judicial Services		Rule of Law	United States–IRRF	DAD	Ongoing	$236,943	$0
Legal & Judicial Reform	G&DD	Judicial Services		Rule of Law	United States–IRRF	DAD	Ongoing	$355,414	$0
Legal & Judicial Reform	G&DD	Judicial Services		Rule of Law	United States–IRRF	DAD	Ongoing	$197,452	$0

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
Legal & Judicial Reform	G&DD	Judicial Services	Reconstruction	EU Integrated Rule of Law Mission Training	Spain	DAD	Ongoing	$480,000	
Legal & Judicial Reform	G&DD	Judicial Services	Technical Assistance	MoJ Legal Reform	United States–ESF-06	MCT Program–Anticorruption Subset	Initiatives Being Investigated/Scoped	$52,000,000	
Legal & Judicial Reform	G&DD	Public-sector Reform	Technical Assistance	Governorates Capacity Building Program	United Kingdom–DFID	DAD	Ongoing	$19,475,000	$2,319,018
Legal & Judicial Reform	G&DD	Public-sector Reform	Reconstruction	Support to MoPDC	UNDG-ITF	DAD	Ongoing	$1,122,440	$795,702
Legal & Judicial Reform	G&DD			Democratic Governance	Canada	DAD	Completed	$525,000	$525,000
Public Financial Management	ED	Finance & Banking	Technical Assistance	IFMIS Phase I & II	United States–USAID Economic Governance II	Bearing Point–Iraq		$0	
Public Financial Management	ED	Finance & Banking	Training	Tax Reform	United States–USAID Economic Governance II	Bearing Point–Iraq		$0	
Public Financial Management	ED	Finance & Banking	Technical Assistance	TAGDEER IT Application	United States–USAID Economic Governance II	Bearing Point–Iraq		$0	

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
Public Financial Management	ED	Public-sector Reform	Training	Central Bank of Iraq Operations	United States–USAID Economic Governance II	Bearing Point–Iraq		$0	
Public Financial Management	ED	Statistics & Demography	Technical Assistance	COSIT	United States–USAID Economic Governance II	Bearing Point–Iraq		$0	
Public Financial Management	G&DD	Civil Society		Grant to Enhance Capacity of Finance Departments	United States–IRRF	DAD	Completed	$207,052	$207,052
Public Financial Management	G&DD	Finance & Banking		IMF Technical Assistance Fund	Canada	DAD	Ongoing	$750,000	$750,000
Public Financial Management	G&DD		Training	Capital Budget Formation/Implementation & Procurement Reform (Phase 1)	United States–ESF-07	MCT Program–Anticorruption Subset	Under development	$5,000,000	
Public Financial Management	G&DD		Technical Assistance	Capital Budget Formation/Implementation & Procurement Reform (Phase 2)	United States–ESF-07	MCT Program–Anticorruption Subset	Under development	$5,000,000	
Public Financial Management	G&DD		Technical Assistance	Build Secretariat of High Contracts Committee	United States–ESF-06	MCT Program–Anticorruption Subset	Under development	$3,000,000	

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
Public Financial Management	G&DD		Technical Assistance	Supply Chain Management—Reduce Corruption & Improve Supply (Kirnadia)	United States—ESF-07	MCT Program—Anticorruption Subset	SoW Complete; Awaiting Independent Gov't Cost Estimate (IGE)	$15,000,000	
Undefined	G&DD		Training	Transportation Technical Training Center	United States—ESF-07	MCT Program—Anticorruption Subset	Under development	$0	
Undefined	G&DD		Technical Assistance	Iraqi Air Traffic Management System Strategic Plan Support	United States—ESF-07	MCT Program—Anticorruption Subset	Processing a SoW	$702,000	
	G&DD	Civil Society	Reconstruction	Training Assistance to the Ministry of Human Rights	United Kingdom—DFID	DAD	Pipeline	$741,000	$0
	G&DD	Civil Society	Unspecified	Organizational Capacity Building	Sweden	DAD	Ongoing	$71,835	$47,587
	G&DD	Civil Society	Reconstruction	Political Participation Fund	United Kingdom—DFID	DAD	Ongoing	$11,875,000	$3,855,765
	G&DD	Civil Society	Reconstruction	Civil Society Fund	United Kingdom—DFID	DAD	Ongoing	$9,500,000	$4,291,167
	G&DD	Civil Society	Reconstruction	Iraq Civil Society Development	UNDG-ITF	DAD	Ongoing	$390,000	$298,530
	G&DD	Civil Society	Other	Democratization in Baghdad	Sweden	DAD	Ongoing	$85,220	$48,854

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
	G&DD	Civil Society	Other	Democratisation in AL-Sulamania	Sweden	DAD	Ongoing	$163,657	$63,936
	G&DD	Civil Society	Unspecified	Indirect project costs	Sweden	DAD	Completed	$84,398	$84,398
	G&DD	Civil Society	Reconstruction	Mapping of Local NGOs and CSOs	UNDG-ITF	DAD	Completed	$147,400	$147,400
	G&DD	Civil Society	Reconstruction	Training in Japan (Civil Society and Community Development)	Japan	DAD	Completed	$105,748	$105,748
	G&DD	Civil Society; General Public Services, n.e.c.	Capacity Building	Community Action Program	United States–USAID ICAP	DAD GPM Summary		$0	
	G&DD	Local Government Services	Technical Assistance	Training in Japan, Local Governance Administration	Japan	Embassy of Japan in Iraq; Tokyo	Completed	$188,209	
	G&DD	Local Government Services	Capacity Building	RTI Local Governance Grants	United States–USAID LGP	DAD GPM Summary		$0	
	G&DD	Local Government Services; General Public Services, n.e.c.	Capacity Building; Supply	Support to Government of Iraq in International Assistance Coordination and Capacity Building ((Governorates)	UNDG-ITF	DAD	Ongoing	$2,643,000	$1,000,940
	G&DD	Public-sector Reform	Reconstruction	Regional Human Security Center	Canada	DAD	Pipeline	$356,250	
	G&DD	Public-sector Reform	Reconstruction	Training for Capacity Building of Iraqi Ministry Officials	Korea	DAD	Ongoing	$2,519,000	$2,519,000
	G&DD	Public-sector Reform	Reconstruction	Capacity Building and Institutional Strengthening	UNDG-ITF	DAD	Ongoing	$510,000	$510,000

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
	G&DD	Public-sector Reform	Reconstruction	Iraqis Rebuilding Iraq (IRI)	UNDG-ITF	DAD	Ongoing	$60,301	$17,428
	G&DD	Public-sector Reform	Unspecified	IRI II–UNDP	UNDG-ITF	DAD	Ongoing	$97,806	
	G&DD	Public-sector Reform		Second Multi-Sector Institutional Capacity Building Project	WB-ITF	DAD	Ongoing	$7,000,000	$1,500,000
	G&DD	Public-sector Reform	Unspecified	Support to MoPDC: Aid Coordination Advisory Team	Sweden	DAD	Ongoing	$2,223,594	
	G&DD	Public-sector Reform	Reconstruction	Governance in Iraq	Canada	DAD	Ongoing	$1,500,000	$16,200
	G&DD	Public-sector Reform	Feasibility Study; Supply	Assistance through Korean NGOs	Korea	DAD	Completed	$4,685,925	$4,685,925
	G&DD	Public-sector Reform		First Capacity Building	WB-ITF	DAD	Completed	$3,600,000	$2,500,000
	G&DD	Public-sector Reform	Reconstruction	Training for Capacity Building of Iraqi Ministry Officials	Korea	DAD	Completed	$265,895	$265,895
	G&DD	Public-sector Reform	Reconstruction	Training for Capacity Building of Iraqi Ministry Officials	Korea	DAD	Completed	$1,184,777	$1,184,777
	G&DD	Public-sector Reform	Technical Assistance	Training in Japan, ODA Seminar	Japan	Embassy of Japan in Iraq; Tokyo	Completed	$41,805	
	G&DD	Public-sector Reform	Reconstruction	Training in Japan (Training for Iraqi Diplomats)	Japan	DAD	Completed	$385,182	$385,182
	G&DD	Public-sector Reform	Reconstruction	Invitation to Japan (2 Iraqi Diplomats)	Japan	DAD	Completed	$23,373	$23,373

Governance & Public Management Category	DAD Sector	DAD Subsector	Project Type	Project Title	Donor	Data Source	Status	Project Committed	Project Disbursed
	G&DD	Public-sector Reform	Reconstruction	Training in Japan (Training for Iraqi Diplomats)	Japan	DAD	Completed	$211,495	$211,495
	G&DD	Statistics & Demography	Unspecified	Development of National Gender Statistics in Iraq	UNDG-ITF	DAD	Ongoing	$0	
	G&DD	Statistics & Demography	Reconstruction	Iraq Living Conditions Survey 2004	Norway	DAD	Completed	$2,408,703	$2,346,662
	G&DD	Statistics & Demography	Reconstruction	Trilateral Technical Cooperation for Iraq in Jordan (Statistics)	Japan	DAD	Completed	$112,155	$112,155
	G&DD	Statistics & Demography	Reconstruction	Trilateral Technical Cooperation for Iraq in Jordan (Statistics)	Japan	DAD	Completed	$49,393	$49,393
	G&DD			National Capacity Development Project (NCD-Tatweer)	United States–USAID	MSI	Ongoing	$165,000,000	

Donor Reporting Standard Operating Procedures

Complying with Donor Project Approval and Reporting Requirements in Iraq: Recommendation for Standard Operating Procedures (SOPs)

The problems that the SOPs will solve:

- Donors often implement projects without getting ISRB's approval.

- Donors sometimes go directly to the ministries. The ministries do not report these projects to the ISRB; therefore, the ISRB and the DAD team are unaware these projects exist.

- Often donors and ministries are not familiar with the ISRB and the DAD; they need background information so that they understand the proper procedures.

- SOPs should be disseminated to ministries and governorates. They should also be made easily available on the MoPDC Web site and in any other relevant locations, such as the IRFFI Web site, the UNAMI Web site, the U.S. State Department page for Iraq, etc.

Suggested SOPs Format

A. Background Materials

Summary of donor assistance coordination, management, and reporting arrangements

ISRB:

1. What is the ISRB? What is its purpose?
2. What authority does it have? Where does it get its authority?
3. What legislation created the ISRB?

Development Assistance Database:

1. What is the DAD? (brief summary)
2. How can one learn to use it? (Direct users to the handbook and other supporting materials and Web sites)

B. Project Approval Process

The Approval Process for Donors

1. Who do they contact for approval?
2. What forms are necessary and where does one obtain these forms? Are they available online? Where else are they available? (provide copies in an appendix/links)
3. When does a donor need to seek approval of a project?
4. How long does the approval process take?
5. What steps should donors take after a project is approved by the ISRB?
6. What is the checklist that the ISRB uses as minimum assessment criteria?
7. Any other important information?

The Approval Process for Ministries

1. Who do they contact for approval?
2. What forms are necessary and where does one obtain these forms? Are they available online? Where else are they available? (provide copies in an appendix/links)
3. When does a ministry need to seek approval of a project? Do ministries seek approval of PIP projects only or of donor projects sometimes as well?
4. How long does the approval process take?
5. What steps should donors take after a project is approved by the ISRB?
6. Any other important information?

C. Sectoral Coordination Process

Summary of sectoral coordination process under the ICI
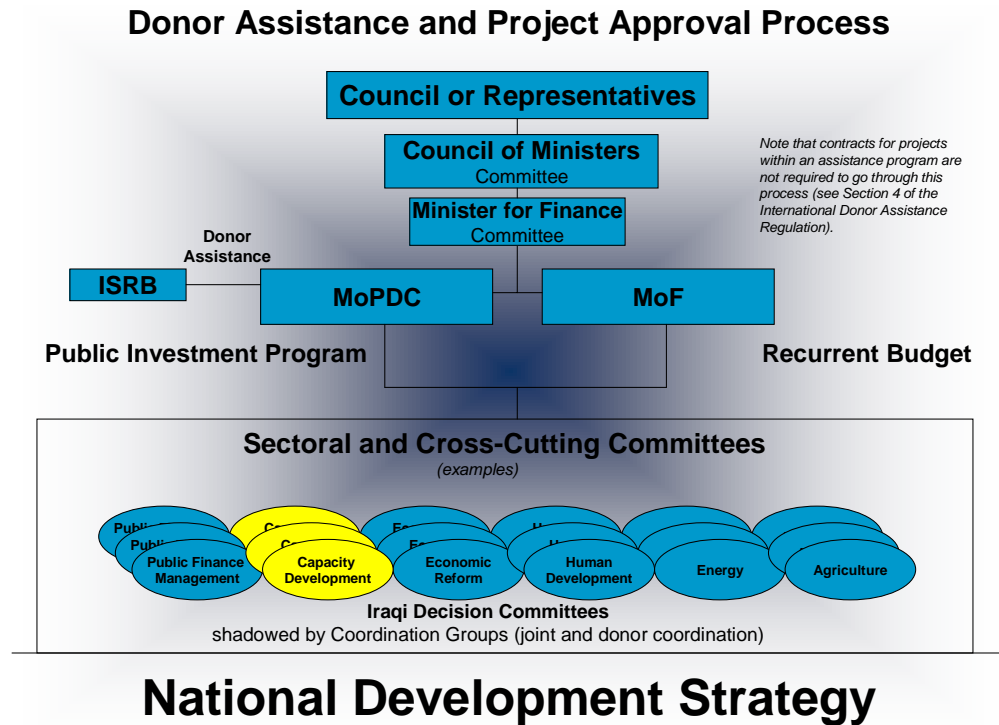
D. Project Reporting Process

General Information:

1. Is the DAD the only entity to which donors and ministries must report their project information? Who else?
2. What is this information used for?

Provide in Detail:

1. DAD points of contact and "help desk" points of contact.
2. What is reporting (i.e., not just providing access to a donor Web site but submitting a spreadsheet at regular intervals—monthly?); also providing project evaluation summaries when undertaken?
3. What forms are necessary and where does one obtain these forms? In what specific format must data be submitted if submitted in a spreadsheet?
4. A key explaining what each field of information in the forms is for.
5. When is the DAD server updated; how does one know? When should donors and ministries submit spreadsheets?

Figure 1: Project Approval Process

Donor Assistance and Project Approval Process

Note that contracts for projects within an assistance program are not required to go through this process (see Section 4 of the International Donor Assistance Regulation).

Council or Representatives

Council of Ministers
Committee

Minister for Finance
Committee

Donor Assistance

ISRB

MoPDC

MoF

Public Investment Program

Recurrent Budget

Sectoral and Cross-Cutting Committees
(examples)

Public Finance Management

Capacity Development

Economic Reform

Human Development

Energy

Agriculture

Iraqi Decision Committees
shadowed by Coordination Groups (joint and donor coordination)

National Development Strategy

The Capacity Development Working Group Secretariat

1. **Composition: The secretariat consists of three members of staff from the MoPDC.**

2. **Primary Task: Coordination of CDWG meetings, materials, and records.**

3. **Supporting Tasks:**
   - Maintenance of an up-to-date distribution list for CDWG meeting notices and related materials;
   - Development of the CDWG session agendas;
   - Scheduling of CDWG meetings;
   - Distribution of the meeting notices;
   - Arrangement of meeting logistics (room reservation; provision of laptops and overhead projectors when needed; etc.)
   - Taking of minutes during meetings and subsequent distribution of minutes;
   - Maintenance of an archive of CDWG meeting documents and other related materials.

4. **Norms: The secretariat is responsible for organizing the CDWG sessions in accordance with the following norms.**
   - Meeting notices are sent out seven days before the next meeting, along with the draft minutes from the previous meeting.
   - A member of the secretariat takes the minutes and circulates draft minutes to the group within seven days, comments returned within three days and final minutes circulated three days later. Approval of minutes to occur at the next meeting.
   - An agenda is provided at least seven days prior to the scheduled meeting (around seven days notice will also be given to presenters).

5. **Additional Structures Related to the CDWG:**
   - A week after each CDWG, an informal donor-donor committee will be held, with the chair rotating.
   - A Capacity Development Strategy Paper technical subcommittee will provide an initial draft of papers to explore more detailed guiding principles for the group. The subcommittee's membership will consist of:

     Two representatives of the MoPDC;

     Two U.S. government representatives;

A World Bank representative;

Other stakeholders (EU, UN, Japan, UK) who wish to participate may also select representatives.

Public Management Steering Committee

The Public Management Steering Committee (PMSC) is an initiative to bring together key donors with the MoPDC to examine the strategic issues relating to capacity building and public administration reform in Iraq. The CSIS team supported the initiative with two goals in mind. First, at the strategic level, to facilitate ongoing discussions between donors and the government of Iraq about the most effective ways that Iraq can encourage the development of its public sector and how donor assistance can best be targeted. Second, at the operational level, to bring together the donors and the MoPDC, notably the ministry's National Centre for Consultancy and Management Development, to ensure that donor training programs meet Iraqi requirements.

The exact Terms of Reference (TOR) are still under discussion and, at the request of the MoPDC, are an evolving process. The proposal, drafted by Hazim Hamid (MoPDC) and Sasha Kishinchand (CSIS), with input and guidance from Alex Talmon-l'Armee (IMG, the EU implementing partner in Baghdad), was as follows:

Iraq Public Management Steering Committee

November 2006

Host Ministry:

Ministry of Planning and Development and Cooperation

Proposed Schedule:

Weekly meetings on Tuesdays at 9 a.m. in the Fourth-floor Conference Room

Purpose:

The primary purpose of the GPM Steering Committee is to bring together the pertinent donors and implementing partners engaged in activities related to Governance and Public Management Capacity Building. While capacity building activities encompass a variety of project types, ranging from the construction and repair or upgrade of government and training facilities to the supply of furniture, equipment and materials to these facilities, the Steering Committee will concern projects related to training and technical assistance in the area of Public Management. To date, officials from the Iraqi Ministry of Planning have met with donors and implementing partners individually. A regular dialogue that brings all relevant parties together will enable donors and their implementing partners to avoid repetition of activities and duplication of training matter.

The forum is intended to benefit the MoPDC by identifying at an early stage emerging and potentially problematic issues of coordination and consistent application. The Steering Committee will identify areas where there is a risk of divergence or duplication of effort, and recommend solutions. Donors will be informed regularly of all Steering Committee deliberations.

Participants will also share planned and developing training curricula, to include the content of their training sessions' syllabi. The Steering Committee will also provide a forum for coordination and collaboration of training programs so as to allow members to add value to each others' programs. Members of the Steering Committee are not intended to be high level officials in their organizations, but rather the program managers and planners.

World Bank Project Management Issues

The most important project management lesson learned during this project dealt with how effectively World Bank (WB) consultants can work in Baghdad at the present time. The security and logistical constraints are significant. The project demonstrated that these can be overcome, but we recommend that, before employing any other consultancy teams in Baghdad, the WB's Baghdad office first make appropriate arrangements. However, the bottom line is that delivery of consultancy services in Baghdad, including with Iraqi counterparts in the "Red Zone" is both possible and vital to achieve desired results. Working remotely is not sufficient.

A number of general issues disrupted project productivity. These included austere living conditions, frequent security alarms and lockdowns, security incidents in Baghdad that disrupted the working lives of Iraqi counterparts, the lack of reliable telephone and Internet connectivity, and the lack of adequate, quality translation resources. While some of these issues should be resolved by the expansion of the WB office in Baghdad (notably Internet connectivity and the recruitment of quality translation resources), others are inherent in working in the contemporary Iraqi environment. Any project working in contemporary Iraq needs to factor such "friction" into its planning.

Beyond these general issues, however, the WB can draw lessons from the security and logistical arrangements used in this project. Addressing these issues is both feasible and necessary for any future employment of consultants in Baghdad.

Delivery of this project was hampered by early confusion over security and logistical arrangements. At project inception, the understanding was that the project consultants would receive security and life support from the British embassy in Baghdad. This support is of a high quality and provides excellent security arrangements at all stages of the project cycle, from deployment, through work in the International Zone and the Red Zone, to redeployment from Iraq. However, DFID policy altered during project inception and led to a compromise whereby the lead consultant (Andrew Rathmell) was provided with British support but another consultant (Sasha Kischinchand) had to be provided with security and life support by an independent contractor (Olive Group). This led to different standards of care for the two staff members. It ultimately proved impossible for Rathmell to visit the Ministry of Planning in the Red Zone. While Kischinchand was able to visit the ministry, she did not receive a consistently high standard of security protection during her time in Baghdad.

Furthermore, the informal nature of current WB arrangements with the U.S. government regarding WB offices in the International Zone compromised

efficiency and safety for the project team. During their stay in Baghdad, the members of the project team were unable to obtain personal or vehicle passes for the Freedom Building Compound. This resulted in extended delays in entering the offices for meetings and meant that project staff had to park their vehicles in the nearby street, thereby compromising their security.

Before employing any other consultants in Baghdad, the WB would be advised to address two issues:

- A clear determination as to whether consultants will operate under the auspices of a bilateral nation (e.g., the United Kingdom or United States) or independently. If the latter, which appears most likely, then the WB and the consultancy firm need to satisfy themselves that the security and logistical arrangements contracted for are of the highest quality. In order to mitigate any possible concerns over duty of care, we would advise the WB to either agree to framework agreements with reputable security companies or to set out minimum standards to be complied with. These standards should include: (a) provision of a body guard/driver and armored vehicle within the International Zone; and (b) provision of appropriate personal security detail, including body guards, on Red Zone visits.

- Providing consultants with personal and vehicle passes to the Freedom Building Compound and with International Zone passes. Without these passes, consultants will be at greater physical risk within the International Zone and will also, increasingly, face the prospect of detention by Iraqi security forces.