



Iraq

Agency: UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)		
Address: United Nations Development Programme 1 United Nations Plaza New York, NY 10017 USA Contact person: Paolo Lembo Director UNDP Iraq Paolo.Lembo@undp.org +962 6 560 8396	TOTAL PROJECT COST	UK £ 350,000
	CONTRIBUTION FROM Government of United Kingdom	UK £ 350,000
	Banking information:	
Project title: Budget Execution Support Project – Basra Province		
Description of the problem: The Iraqi Government has started a complex process of transition from a highly centralized governance system to federal institutional arrangements in order to empower its governorates in the Iraqi budget's planning and execution. Over the past two years governorates have been receiving financial allocations on which they have planning and financial spending authority. However, views among Iraqi stakeholders on the status of governorates are not yet settled, and the Provincial Councils, mandated to coordinate provincial development strategies, faced difficulties with the Ministry of Finance in accessing their allocated funds and have had only limited success in coordinating the activities of line Ministries in the governorates. Serious capacity limitations at the Provincial Administration level have impeded full expenditure of their budget. Similarly, tracking and accountability procedures are limited, leading to allegations of corruption and possibly fueling conflict for control over transfers from the federal budget. Capacity to operate and maintain existing and reconstructed infrastructure and services is very weak, putting into question the sustainability of donor-driven investments.	PROJECT DURATION	14 months (starting as of receipt of funds) Phase 1: Feb. to end March 2008 Phase 2: April 2008 to end March 2009
	IMPLEMENTATION MODALITY	Direct Execution (DEX)
Project Summary: The project aims to foster political stabilization, social peace, and broad based economic regeneration by strengthening the effective cooperation between decentralized levels of governance and local communities in mobilizing Iraqi capital and human resources for the implementation of area based recovery and development strategies. For this purpose, the project adopts an "Area Based Development Approach," the components of which include: Capacity Building of the executive function in Basra Governor's Office; Community mobilization in three pilot-districts of Basra Province; Support to the rehabilitation of basic infrastructure and services at community level; Promotion of local economic development, income and employment generation; Streamlining of coordination mechanisms at provincial and sub-provincial level to support bottom-up and participatory budget execution processes (policy and institutional reform).		

Paolo Lembo

Paolo Lembo, Director

4 February 2008
Date





Iraq

A PROJECT BACKGROUND / CONTEXT

A renewed strategic framework for UN operations in Iraq

The approval of UN Security Council Resolution 1770 and the signing of the International Compact for Iraq (ICI) have redefined the strategic framework for the operations of UNAMI and the UN Country Team in Iraq: the international community has come to recognize the symbiotic relation between peace-building and economic development to unlock Iraq's own development potential; and has moved towards a more organic and integrated approach in dealing with the political, institutional and socio-economic dimensions of the Iraq crisis.

Within this strategic paradigm, UNDP is currently reviewing its programmatic and operational position in Iraq: the aim is to improve coherence and integration among the existing programmatic components, while expanding both upstream (capacity building) and downstream (reconstruction, basic services, job creation, and civil society) interventions. UNDP recovery & reconstruction, governance and poverty alleviation strategies are expected to support the consolidation of functioning Iraqi State institutions capable of effectively mobilizing Iraqi resources for the delivery of basic services, and the promotion of broad based socio economic revitalization of Iraqi people.

Iraq can count on a significant amount of internally generated financial resources resulting from the exploitation of its oil reserves and estimated in the year 2007 at over 35 billion USD. Improving the performance of Iraq's national budget execution is, in this regard, an essential component of any meaningful strategy aimed at promoting sustainable development in the country. Lack of technical capacity, an ambiguous and contradictory legal framework, along with conflicting center-region political agendas have thus far prevented an effective coordination among the Government of Iraq (GOI) and provincial authorities on allocation of public resources for reconstruction and development. Over the past three years, large portions of Iraq's capital budget have gone unspent or have not translated into projects capable of improving living conditions and providing quality services. As a result, communities have been languishing in compromised socio-economic conditions characterized by lack of job opportunities, increasing inter-communal tensions and a widespread disaffection towards Iraqi State institutions.

B SITUATION ANALYSIS

B.1 Problem to be addressed - The current situation and justification

Devolution of Budget Execution Powers to Iraqi Governorates

Following the fall of the Baath regime, Iraq has started a complex process of transition from a highly centralized system of governance towards the adoption of federal institutional arrangements for the empowerment of its governorates in the planning and execution of the Iraqi budget. CPA Order 71, the 2005 Constitution and the new "Draft Law on those Governorates not organized into regions" provide for a new legislative framework, which overall assigns new planning, financial and oversight authority to the provincially elected bodies (Provincial Councils). Over the past two years governorates have been receiving financial allocations on which they have planning and financial spending authority: the so-called Regional Development Funds have been distributed by the Minister of Finance to the governorates according to population criteria: they amounted to a total of USD 2.0 Billion in 2006, USD 2.4 Billion in 2007 and are expected to total USD 2.4 Billion in 2008. A snapshot on the current modalities of Iraq's budget execution resulting from this on-going process of institutional decentralization points at the following key-elements:

- Views among Iraqi stakeholders on the status of governorates are not yet settled. The Constitution contains contradictory provisions as to whether governorates are administrative units of the central government or quasi-autonomous entities similar to regions. CPA Order 71, which aimed to federalize

Iraq's unitary state, has only seen limited implementation. Central government bodies, and most particularly the Prime Minister's Office and the Ministry of Finance, have resisted devolution of authority to the governorates and have maintained many features of the centralized pre-2003 state, which treated governorates as administrative organs of the central government.

- The result is that governorates in essence have two parallel structures of governance. On the one hand, line Ministries with provincial Technical Directorates continues to operate much as they did pre-2003, with virtually complete operational and financial autonomy from the Provincial Councils. On the other hand, on paper, Provincial Councils are supposed to coordinate provincial development strategies and, beginning in 2006, have received independent funding. In practice, the Provincial Councils have clashed with the Ministry of Finance in accessing their allocated funds and have had only limited success in coordinating the activities of line Ministries in the governorates.

- Iraq's experience with devolution post-2003 also points to serious capacity limitations at the Provincial Administration level, namely Provincial Council and Governor's Office. These entities have struggled to fully spend their budget allocations, necessitating a roll-over of 2006 funds to 2007. Similarly, tracking and accountability procedures are limited, leading to allegations of corruption and possibly fueling conflict for control over transfers from the federal budget. Capacity to operate and maintain existing and reconstructed infrastructure and services is very weak, putting into question the sustainability of donor-driven investments.

Budget Execution Capacity in Basra Governorate

The Strategic Planning Function

Over the past three years, Provincial Authorities in Basra Province - and to a lesser extent those in Maysan, Muthanna and DhiQar Governorates - have worked in close partnership with international agencies towards the establishment of participatory processes for provincial budget execution. In Basra, first the Southern Iraq Donor Group chaired by UNAMI, and later on the agencies revolving around the local Provincial Reconstruction Team, have helped establishing a series of consultation mechanisms, which have engaged members of Basra Provincial Council, Technical Directorates and representatives of Civil Society in the definition of the development and reconstruction priorities for their province. In 2006, these initiatives resulted in the completion of the first Provincial Development Strategy (PDS), which has contributed to put Basra in a leading position compared to the rest of the country for strategic planning experience. While reflecting important shortfalls in terms of information baseline, planning techniques and sectoral/analytical depth and focus, these exercises have contributed to:

- Fostering the interaction between MOF/MOPDC and Provincial Councils on development and reconstruction (in 2006, a delegation of Basra PC has attended a meeting with the MOF/MOPDC to formally introduce the PDS);
- Raise the awareness among Basra Provincial Authorities on actors and processes expected to be involved in the Strategic Planning Function;

The strategic planning exercises have been conducted on the basis of a coordination platform articulated along the following components:

- a. Provincial Sector Working Groups (SWGs)¹;
- b. Provincial Reconstruction and Development Committee (PRDC)²;

¹ In the **Sector Working Groups**, members of the Provincial Councils, Technical Directorates, and international organizations coordinate on needs assessments and design/implementation of development/reconstruction programs. International and national sector focal-points have been appointed to organize and facilitate each SWG. SWGs meetings are held twice a month in each province. The Provincial SWG is the start point for sector needs assessment and prioritization, proposal identification and development, and monitoring of progress in project implementation.

c. Provincial Reconstruction and Development Coordination Group (PRDCG)³.

The Budget planning function as implemented in Basra by means of the above described coordination mechanism has suffered from the following shortfalls:

- Lack of a solid information baseline to support the identification of strategic priorities: no access to statistical data, research studies and field assessments accounting for the situation on the ground.
- Minimum engagement of the Technical Directorates (TDs) in the Sector Working Groups, with the result that the planning exercises would not incorporate the policy guidelines and the plans issued by the Central Line Ministries. In the few instances when the TDs would attend the planning sessions, they would not be equipped with the relevant information and/or the adequate planning skills/awareness.
- Lack of outreach capacity to include the inputs coming from the District and Sub-District administrations: the planning exercise as carried out in Basra has not been able to mobilize districts and communities in the identification of development priorities at local level.
- Lack of reliable and regular channels of communication between the MOF/MOPDC at central level and the Provincial Council on strategic planning issues. While it has been noted that the PDS has prompted a consultation between PC and MOF/MOPDC, this has been an ex-post isolated event. Regular consultation and exchange should occur in the period leading to the definition of the Strategy.
- Lack of engagement/capacity of the Governor's office expected to provide information on the progress in the implementation of projects funded through Federal, Provincial and International funds.

The Budget Execution Function

As previously mentioned, during the past two years Iraq's Minister of Finance has been transferring to the Governorates the so-called Regional Development Funds (RDF), over which Provincial Administrations have planning and financial authority. Within this scheme, Basra Governorate has received 213 Million USD in 2006, 204 Million USD in 2007, and additional 303 Million USD are set to be transferred for the year 2008. RDFs were originally meant to complement the financial allocations assigned to Iraq's line ministries for the acceleration of reconstruction and development. In Basra, these expectations have only partially been met: according to the figures provided by Basra Provincial Council, a substantial portion of the financial allocations received over the last 2 years has gone unspent: 25% in 2007, and up to the 87% up to the end of the third trimester of 2007. Provincial administrative structures have manifested important gaps of capacity in performing the tasks associated with the budget execution function (i.e.: budgetization, procurement, contracting and financial management). In addition, the contradictions and grey areas of the legal provisions regulating roles and responsibilities in the RDF management have often translated in political frictions and coordination

² The Provincial Reconstruction and Development Committee is held on a monthly basis. The PRDC is a committee convened by the Provincial Council (PC) for the purpose of transparently coordinating and planning reconstruction and development at the provincial level. The PRDC's role is to prioritize needs and projects across all sectors. It analyses needs, plans solutions, de-conflicts, reviews and coordinates projects and programs. The PRDC structure is flexible and may include both elected (PC) members and civil servants (Director Generals of Technical Directorates). The PRDC has no authority unless formally delegated by the PC.

³ Once a month, the head of the PRT and a member of the PC co-chair a PRDCG meeting, in which representatives of the Provincial Council and of the Donor Group prioritize project proposals developed in the Sector Working Groups; and agree on allocation of international funds. The role and responsibilities of the PRDC(G) is to act as a forum for elected representatives and donors to manage access to donor funds. PRDC(G) is differentiated from the PRDC by time – projects submitted for donor funding must first be approved by the PC.

breakdown between Governor's Office, Provincial Council and Technical Directorates with an adverse impact on quality and level of provincial budget spending. As emerged during the PRT sponsored conference on Basra Governance held at the Dead Sea on Dec 5-9, there appear to be four main elements constraining the transparent and effective performance of budget execution processes in Basra:

1. *The PC involvement in executive activities:* the Provincial Reconstruction and Development Committee of Basra Provincial Council has been operating tasks typically assigned to the Governor's Office such as technical design, tendering and contracting of projects funded through Regional Development Funds.
2. *The lack of capacity in the Governor's Office:* the Governor's Office is characterized by an unclear organizational structure which does not contemplate in its present shape a neat identification of the functions usually associated to the planning, the treasury, and the reconstruction units. Information and financial management systems are not automated across the Governor's Office's organizational structure. It is difficult to determine lines of internal accountability and the Office lacks capacity for data collection and analysis.
3. *Confused accountability lines between Governor's Office and Technical Directorates:* Technical Directorates operate with a double accountability to the Governor and to their line ministries, which is often difficult to reconcile due to confused and contradictory instructions received by the central and provincial administrations; and to the lack of clarity in Iraq's legal and administrative framework.
4. *Lack of competent private contractors:* private companies in Basra have shown important capacity deficits in providing credible responses to tenders and in executing engineering projects. It has been reported a lack of confidence on part of Basra Private Sector in the reliability of the Provincial Government as a quality client.

B.2 Justification

UNDP Iraq expanding its outreach capacity at provincial level

UNDP recognizes that key to the promotion of quality budget execution processes in Iraq is the empowerment of the provincial, municipal and local levels of governance in the prioritization and management of development and reconstruction interventions: this is meant to allow for a better matching between budget allocations and priority needs on the ground; foster the mobilization of local resources in the design and implementation of Iraqi owned recovery strategies; create opportunities for dialogue and reconciliation at community level; and finally strengthen the legitimacy of State institutions *vis-à-vis* Iraqi people.

For this purpose, UNDP Iraq intends to expand its outreach capacity in Iraq's Lower South region (Provinces of Muthanna, Maysan, Basra and DhiQar). The entry-point is provided by this Budget Execution Support project (BES) in Basra. Funded by the United Kingdom Foreign & Commonwealth Office (UK FCO), the project capitalizes on the governance activities carried out over the past three years by the Southern Iraq Donor Group (which up to July 2006 was chaired by UNAMI with the participation of DFID and USAID) and more recently by Basra Provincial Reconstruction Team (PRT).

Through the close partnership with international agencies and Provincial Authorities in Basra Province, the establishment of participatory processes for provincial budget execution has been . The international agencies have helped establishing a series of consultation mechanisms, which have engaged members of Basra Provincial Council, Technical Directorates and representatives of Civil Society in the definition of the development and reconstruction priorities for their province. In 2006, these initiatives resulted in the completion of the first Provincial Development Strategy (PDS), which has contributed to put Basra in a leading position compared to the rest of the country for strategic planning experience.

The project is meant to be the pilot phase for the introduction of an integrated programmatic approach combining area based development schemes with capacity building initiatives targeting the provincial and sub-provincial levels of Governance.

B.3 Target Beneficiaries

The public institutions in the Basra Governorate will directly benefit from this project, but the ultimate beneficiaries will be the Iraqi public in Basra, having access to better social and basic services through improved public spending.

C. PROJECT STRATEGY

The project intends to work as a UNDP programmatic bridgehead in Basra able to:

- Capitalize and build on the governance programmes implemented in Basra over the past three years first by the Southern Iraq Donor Group (i.e. UNAMI, DFID, USAID, UK CIMIC) and later on by the Basra Provincial Reconstruction Team (PRT);
- Sustain Governance assistance to Basra Provincial Authorities beyond the phasing out of Basra PRT;
- Assist UNAMI in the coordination of reconstruction and development interventions at provincial level and support the programmatic engagement of the UN Country Team into coordinated area based interventions.

Based on the above, the project has been designed on the following conceptual premises:

- Sustainable reconstruction and development in Basra is to be achieved through the mobilization of Iraqi financial, technical and human resources available at national, provincial and community level;
- Intergovernmental processes for strategic planning and budget execution are to be streamlined and consolidated within Iraq's existing administrative structures at national, provincial and district level (i.e.: Government of Iraq, Provincial Council; Governor's Office; Technical Directorates; District Councils; Mayors);
- Citizens are expected to actively participate in and contribute to planning, decision-making and activities for the recovery and development of their communities.

Accordingly, BES adopts a typical "Area Based Development Approach" articulated along the following project components:

- Capacity Building of the executive function in Basra Governor's Office;
- Community mobilization in three pilot-districts of Basra Province;
- Support to the rehabilitation of basic infrastructure and services at community level;
- Promotion of local economic development, income and employment generation;
- Streamlining of coordination mechanisms at provincial and sub-provincial level to support bottom-up and participatory budget execution processes (policy and institutional reform).

Project Implementation Phases

The timeframe for the implementation of the UNDP Budget Execution Support Project in Basra (BES) is 15 months. Project operations are recommended to be carried out along two main phases:

A. Inception Phase: – Estimated Duration: 3 months

The inception phase is expected to cover the following sets of actions:

- Deployment of human resources;
- Installation of technical equipment;

- Engineering of project support activities (fine-tuning of activities to achieve BES's intended outputs)

B. Initial Roll out Phase: – Estimated Duration: 12 months

Implementation of support activities to achieve BES outputs across the three main focus areas:

- Focus-Area 1: Strategic Planning;
- Focus-Area 2: Budget Execution Support;
- Focus-Area 3: Community mobilization.

Inception Phase – Recommended Actions

Action A: Deployment to Basra of BES Advance-Team

According to the operational assumptions of this planning exercise, all UNDP international personnel deployed to Basra for the implementation of BES are to be based in Basra UK Contingency Operations Base (COB). UK FCO, the Multinational Division South East (MND-SE), and possibly the US Regional Embassy Office (REO) are supposed to provide logistic, security and life-support for at least 4 UNDP Staff members at any given time during the BES implementation timeframe.

To kick-start the BES Inception phase, a UNDP Advance-Team is to be deployed to Basra to work on:

- Set-up of UNDP operational resources in COB (living accommodations, office-spaces, IT and communication devices, vehicles) in coordination with UK-FCO, MND-SE and US-REO;
- Introduction of UNDP and BES programme to international and local counterparts;
- Fine-tuning UNDP Plan of Action for the implementation of BES in coordination with Provincial Authorities and Basra Provincial Reconstruction Team;
- Start-up the recruitment process for International staff/Locally Employed staff (LES) assigned to BES.

During BES Inception Phase, the following International Staff-Members are expected to be deployed to Basra as part of the UNDP Advance-Team. They will rotate into Basra according to programmatic needs and in compliance with the 4 staff-member ceiling UNDP has been assigned for the implementation of BES project in Basra:

1. **BES Coordinator** to: (1) cover BES related representation duties *vis-a-vis* local/international counterparts; (2) Start the recruitment of senior LES; (3) Establish and maintain coordination with local and international stakeholders on substantive activities; (4) Work in coordination with the Area-based Development Specialist on the design of project activities across BES three focus-areas: strategic planning, budget execution support, community mobilization.
2. **Liaison Officer** to assist and advise the members of the Advance-Team in the interaction with local counterparts.
3. **Area-Based Development Specialist** to: (1) Work in coordination with the BES Coordinator on the design of project activities across BES focus areas (strategic planning, budget execution support; community mobilization); (2) Advise on the recruitment of BES International Staff/LES; (3) Support the coordination function with local and international stakeholders on substantive issues.
4. **Planning Research Specialist** to: (1) Assist in the recruitment and training of the Strategic Planning Team; (2) Support the establishment of regular working relations with Provincial Authorities for the coordination of BES Strategic Planning component; (3) Start-up design of review/critique research-paper on Basra Provincial Development Strategy 2008-2010.

5. **Engineer** to: (1) Assist in the recruitment and training of the Local Planning Teams; (2) Support the design of BES project engagement at district and district level with specific regard to technical assessments and surveys; (3) Support the consultation with Technical Directorates in Basra Province.
6. **IT/VC/File-Transfer-platform Specialist (1/3 of Inception period)** to work on the set-up of a IT/VC equipment to link UNDP Amman office, UNDP Basra office, Governor's office, Basra Provincial Council and the Mayor's offices of three districts selected for the pilot territorial planning exercise.
7. **Security Field-Officer**

Action B: Hiring of an International Specialist on Strategic Planning and Research Methods and Set-up of the Strategic Planning Team (SPT)

The Strategic Planning Team (SPT) is expected to work towards the delivery of the project outputs related to the BES strategic Planning focus-area, namely: Output 1.1: 2007-2009 PDS review; Output 1.4.: Support to 2009-2011 PDS; Output 2.4: Poverty Mapping; Output 3.3: Territorial Planning.

The SPT will be managed by an international specialist on strategic planning and research methods (Strategic Planning Coordinator) to be based in Basra. The Strategic Planning Coordinator is expected to provide guidance and technical support to a team initially composed by:

- One Senior Iraqi Strategic Planner (Field of Expertise: Socio-economics, Public administration, planning);
- Two Iraqi programme officers (Field of Expertise: IT, Research methods; engineering, socio-economics).

SPT staff-members are to be based outside the UK COB and to operate throughout Basra Province reporting on a regular basis to the Strategic Planning Coordinator.

During the Inception Phase, the UNDP Advance-Team is expected to finalize TORs and recruitment process for the hiring of the Strategic Planning Coordinator (with the support of the RCP Unit in UNDP Amman) and of the Senior Iraqi Strategic Planner (in coordination with the Senior Adviser to RCP's head). Upon deployment, the Strategic Planning Coordinator and the Senior Iraqi Strategic Planner will identify, hire and train the other members of the SPT.

Action C: Hiring of an International Public Administration Specialist and Set-Up of the Governor's Office Support Team (GOST)

The Governor's Office Support Team (GOST) is expected to work towards the delivery of project outputs related to the Budget Execution Support focus-area, namely Output 2.1: Functional Analysis of Governor's Office; Output 2.2: Upgraded operations and information management systems in Governor's Office (Planning, Treasury, Reconstruction).

The GOST is to be set-up in Basra and headed by an international specialist on Public Administration (Public Administration Coordinator). The Public Administration Coordinator is expected to provide strategic guidance and technical support to a team initially composed by:

- One Senior PA Officer (field of expertise: Public Finance/Public administration),
- Two Iraqi Programme Officers (field of expertise: IT, Planning, Public Administration, Public Finance).

GOST's LES are to be based in a private building in Basra and to work inside the Governor's office on the implementation of BES support activities. VC/IT equipment will be connecting the Governor's building, UNDP Basra office in the COB and UNDP Amman. This is meant to support the organization of on-the-job trainings with the contextual participation of LES inside the Governor's office and international specialists based either in UNDP Basra office or in Amman (in particular the Public Administration Coordinator).

During the Inception Phase, the Advance-Team in Basra, in coordination with RCP Unit in UNDP Amman, is expected to finalize TOR and recruitment process for the hiring of the Public Administration Coordinator and of the Senior Iraqi PA officer, who, upon deployment, will advise and directly supervise the recruitment and training of GOST's LES.

Action D: Appointment of a Provincial Budget Execution Focal-Point in Baghdad (BFP)

Based in Baghdad, the BFP is expected to liaise with the BES Coordinator for the delivery of Output 1.2.: Strengthening interaction and communication between MoPDC/MOF and provincial authorities on provincial budget execution; maintaining information flow between Donor Group in Baghdad and Donor Group in Basra.

The BFP would ideally perform the following tasks:

- *Interaction MoPDC/MOF vs Provincial Authorities:* identify focal-point in MoPDC and MOF in Baghdad for Basra budget execution issues; advocate for institutionalization of formal lines of information sharing between MoPDC/MoF focal points in Baghdad; MoPDC/MOF TDs in Basra and PC/Governor's Office in Basra; support the organization of regular center-province consultation events (meetings, seminars, work-shops) attended by MoPDC/MOF and Basra Provincial Authorities.
- *Information flow Baghdad-Basra Donor Groups:* attend ICI and Donor-Group coordination meetings in Baghdad and report on outcomes; consolidate information and report on policy recommendations/programming/events produced by the Donor-Group in Baghdad; support the identification of international focal-point in Baghdad to ensure regular information exchange Baghdad/Basra on policy/legal issues related to provincial budget execution.

The tasks assigned to the BFP could be either performed by one of the staff-members already working in UNDP Baghdad sub-office or by a BES-dedicated LES to be recruited during the inception phase.

The lack of coordination and information sharing between the Ministry of Finance and Iraqi Provinces is deemed as one of the main causes for low budget spending at provincial level. According to the figures provided by Basra Provincial Administration in January 2008, while 65% of the projects funded through the 2007 Provincial Budget have been completed, only 30% of the funds allocated to Basra have been disbursed due to the chronic delays of financial transfers from the MOF's Treasury in Baghdad to the Province.

In light of the above, upstream reform interventions targeting MOF structures and processes appear to be as crucial as the capacity building activities conducted at provincial level to unlock the financial resources in the Iraq national budget. The alignment of national and provincial budget execution processes will be supported not only by the BES focal-point in Baghdad, but also through the programmatic linkages with the DFID institutional reform programme supporting the Ministry of Finance in Baghdad. The linkages will be made possible via the British led Basra PRT, which is expected to run its Basra governance programme in close coordination with UNDP BES activities.

Action E: Hiring of a Local Governance Coordinator and of an Economic Development Specialist; Set-up of Local Planning Teams (LPTs) in 3 Pilot Districts.

Three Local Planning Teams (LPT) and one Economic Development Specialist (EDS) are expected to cover BES community mobilization focus area and to work in three pilot-districts selected for the delivery of the following project outputs: Output 2.3: Establishment of Planning Unit in Mayor's Office; Output 3.1.: Mobilization and training of local communities in project planning and implementation; Output 3.2.: Completion of District Development Plans; Output 3.4: Identification and support to viable income-, job-creation projects at community level; (see in attachment a preliminary agenda-document to work as a blueprint for the start-up activities of the Economic Development Specialist); Output 3.6.: Support to community self-initiatives for rehabilitation of basic infrastructure and community services.

Each LPT would be ideally composed by two Iraqi programme officers combining the following expertise: planning and community mobilization; IT; engineering; socio-economics. The activities of the LPTs and of the EDS (to be based either in Basra or in the district of responsibility) are to be coordinated by a Local Governance Coordinator working in Basra.

During the Inception Phase, the Advance-Team in Basra is expected to finalize TOR and recruitment process for the hiring of the Local Governance Coordinator (LGC). The identification of suitable candidates for the position should be directly managed by the Area Based Development Specialist in close coordination with the Senior Adviser to RCP's head.

Once recruited, the LGC will work with the Area Based Development Specialist to hire and train the Economic Development Officer and the staff-members of the LPTs.

Action F: Procurement and Installation of an IT/VC Connection Linking a UNDP Technical Assistance Cell in Amman – UNDP Basra – Basra Governor's Office

Security and logistic constraints are likely to limit, during the implementation of BES project, the opportunities for regular meetings and work-sessions with the participation of International Staff members based in the COB, LES assigned to the project, and personnel of the Governor's office. The logistic and security concerns refer in particular to the limited number of international staff that can be deployed to Basra COB at any given time; to the impossibility for UNDP international staff to move outside of COB; and to the limited access to the COB for Iraqi nationals. The installation of IT/VC equipment linking UNDP premises in Basra COB, Basra Governor's office and UNDP Amman could represent, in this regard, an effective solution for the delivery of on the job training modules in the Governor's office with the participation of international expertise located either in Basra COB or in Amman. Highly specialized international human resources could be mobilized to support the capacity building exercises through a Technical Assistance Cell (TAC) to be established in Amman and connected through File Sharing Platforms with the UNDP office in Basra, and with the Governor's Office. File Sharing Platforms are also to allow for a close coordination between GOST and The Public Administration Coordinator during the periods of her/his absence from Basra.

IT/VC connections are also to be established with the Provincial Council and with the Mayor's offices in three districts of Basra Province to support a close interaction between international specialists and local stakeholders on: (1) Territorial planning exercises; (2) Review of 2007-2009 PDS; (3) Consultations for 2009-2011 PDS.

During the Inception Phase, a UNDP specialist on IT/VC connection is expected to be deployed to Basra as part of the Advance Team for the time necessary to conduct an assessment on the feasibility of the IT/VC connection and to coordinate its installation once the equipment has been procured.

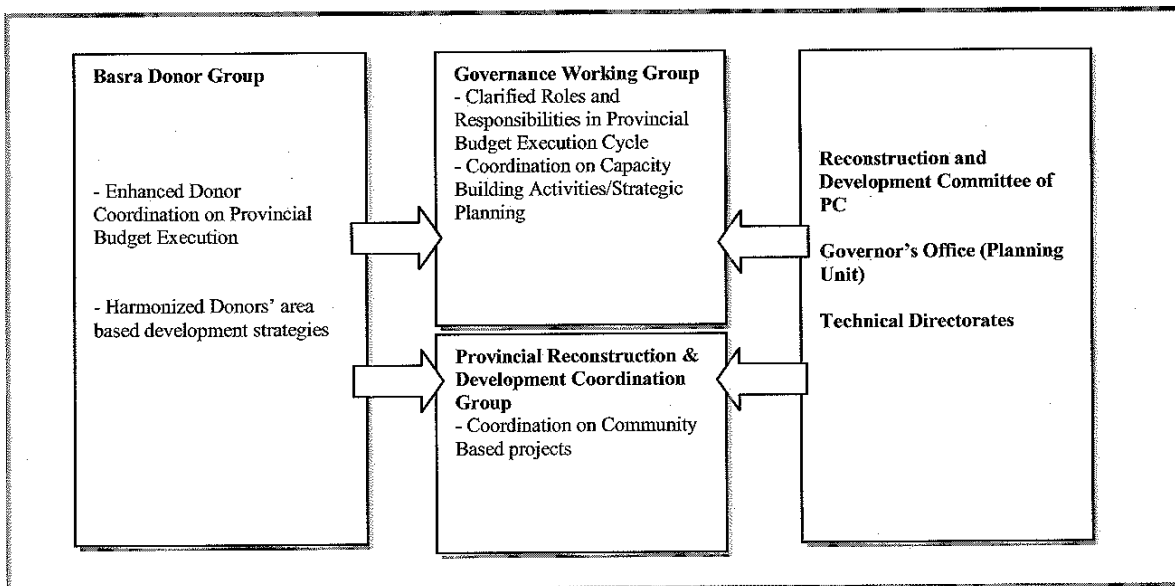
Action G: Start-up of a UNDP Chaired Donor Coordination Mechanism on Provincial Budget Execution/Community Based Development Projects. (Fig. 2)

Upon deployment to Basra, the BES Coordinator and the Area-Based Development Specialist are expected to facilitate the establishment of a Donor Coordination Mechanism. During the inception phase, this is meant to contribute to the fine-tuning of BES supported activities in the focus areas of strategic planning, budget execution support, and community mobilization. At the same time, the Donor Coordination Mechanism is supposed to equip the program for the delivery of Output 1.5.: Enhanced Donor Coordination on Provincial Budget Execution, and Output 3.5.: Harmonized Donors’ area based development strategies during the roll-out phase of the programme.

Action H: Start-Up of a Revamped Governance Working Group and Refocus of Provincial Reconstruction Development Group Meeting (PRDCG)

The accomplishment of Action G will run in parallel with the design of the coordination tools for the regular interaction between international community and the local counterparts on strategic planning, budget execution and community based projects. The BES Coordinator and the Area Based Development Specialist will facilitate the consultations among international and national stakeholders based in Basra with the aim to achieve an agreement on the TORs for Governance Working Group and for a revamped format of the already existing Provincial Reconstruction Donor Coordination Group (PRDCG). The Governance Working Group is expected to contribute to the clarification of roles and responsibilities of Provincial Council, Governor’s Office and Technical Directorates in the provincial planning process, with the ultimate goal of fostering the establishment of a coherent legal and policy framework for Iraq budget execution; (Output 1.3). The PRDCG will instead be the main interface between Provincial Authorities and Donor Group on Area Based Development Strategies – contributing to the accomplishment of Output 3.5. (Harmonized area based development strategies implemented by international agencies in Basra with the aim of fostering the consolidation of Iraqi owned and Iraqi lead budget execution practices)

Fig.2: The Governance Working Group and the PRDCG



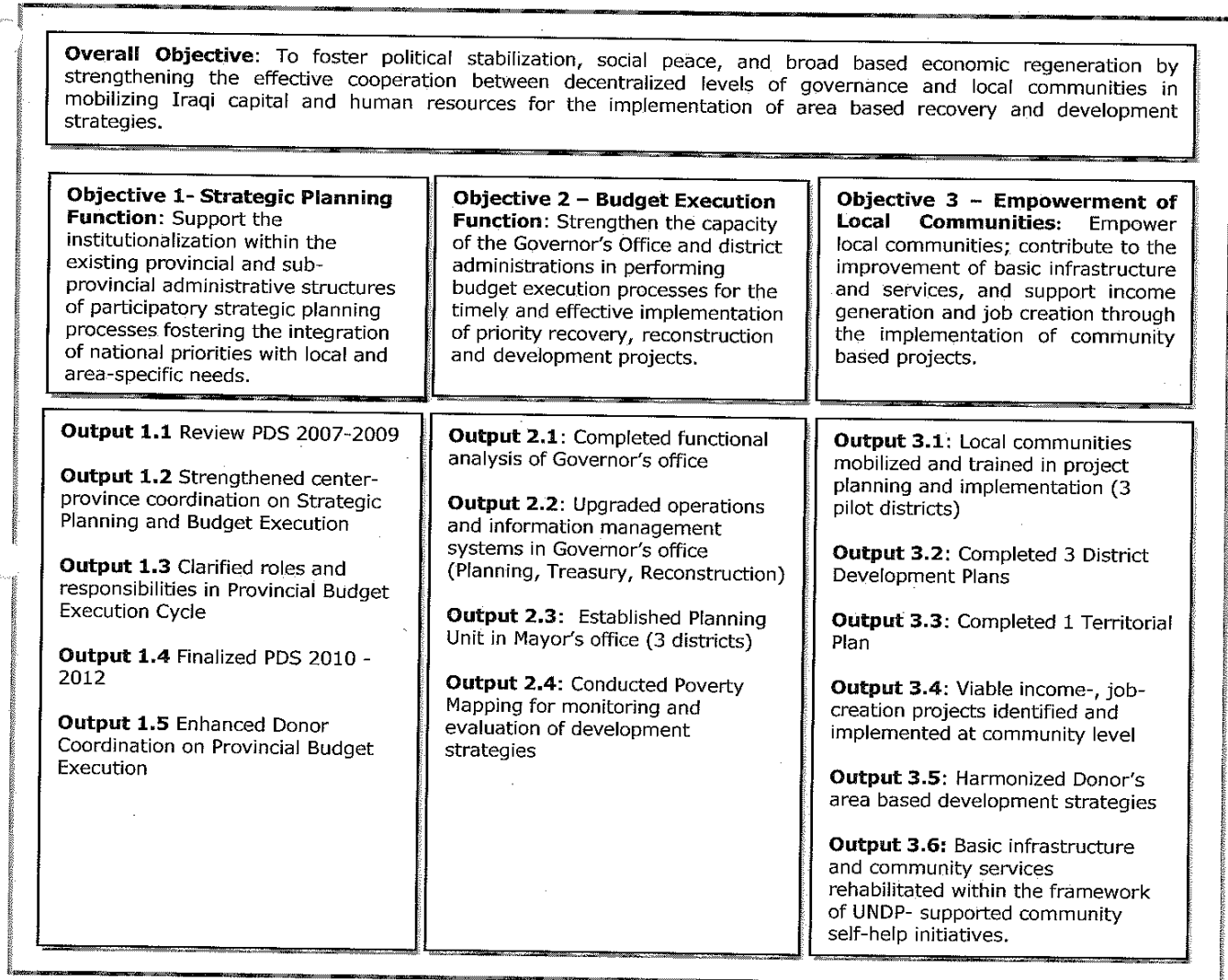
Action I: Organization of a BES-Launch Conference in Istanbul (Turkey) attended by International and National Stakeholders of the Project

At the end of the Inception period a conference is to be organized in Istanbul (Turkey) to mark the official launch of BES project. The event is expected to be attended by international, national and provincial BES stakeholders. It will provide the opportunity to:

- Discuss the status of reconstruction and development in Basra province with particular focus on governance and budget execution issues;
- Introduce BES objectives and methodologies across the project focus-areas: strategic planning; budget execution, community mobilization;
- Introduce the UNDP Basra Team and outline the way it will interact with provincial and sub-provincial authorities, local communities and international agencies during the implementation of the project.

D. DEVELOPMENT OBJECTIVE

Fig. 1: RCP's Budget Execution Programme – The Strategic Framework



Objective 1: Strategic Planning Function Support the institutionalization within the existing provincial and sub-provincial administrative structures of participatory strategic planning processes fostering the integration of national priorities with local and area-specific needs.

Iraq

Output 1.1: Finalized Critique/Review of PDS 2007-2009 to function as agenda-document/blueprint for the strategic planning exercise 2010-2012;

Activity 1.1.1: Collection and review of data and documentation used as baseline information for the drafting of the 2007-2009 PDS;

Activity 1.1.2: Assessment on PDS's sectoral scope and planning depth; information validity and relevance;

Activity 1.1.3: Evaluation on consistency with National Development Strategy and with actual provincial development and reconstruction priorities. (Coordination with IREP and LADP for information baseline on actual needs);

Activity 1.1.4: Appraisal on consultation mechanisms utilized to raise awareness and foster participation in the planning process;

Activity 1.1.5: Assessment on roles and contributions of Provincial Authorities (PC/TD/Governor's office), District Authorities (District Council/Mayor), local communities, civil society and business sector in the planning exercise;

Activity 1.1.6: Assessment of vertical (community, district, province, central government) and horizontal (PC/TD/Governor's office) coordination mechanisms to support the PDS exercise;

Activity 1.1.7: Assessment on public dissemination strategies;

Activity 1.1.8: Consolidation of findings in review-report;

Activity 1.1.9: Workshop of findings with Provincial Authorities and Donor Group;

Activity 1.1.10: Drafting of Agenda-document to work as blueprint for Basra PDS planning exercise 2010-2012.

Output 1.2: Strengthened coordination and information exchange between MOF/MOPDC and Provincial Council/Governor's Office on strategic planning and budget execution;

Activity 1.2.1: Assist in the communication between MOF/MOPDC and PC/Governor's office on Provincial Budget Execution (Development strategies, budget circular, projects jointly funded by Center and Region; policy and legal issues related to Planning and Budget Execution);

Activity 1.2.2: Raise awareness in Baghdad among Ministries and Donors on policy/legal issues affecting provincial Budget Execution;

Activity 1.2.3: Support information sharing and communication between ICI Governance WG/Baghdad Donor Group and Basra Governance WG/Basra Donor Group on Provincial Budget Execution;

Activity 1.2.4: Assist in the organization of center region meeting/seminars to facilitate MoF/MOPDC consultation on legal framework, operations and information management in support of Budget Execution;

Activity 1.2.5: Assist the timely flow of information between Line ministries and TDs/Governor's office/PC over provincial reconstruction/development projects requiring central level funding/technical assistance;

Output 1.3: Clarified roles and responsibilities of Provincial Council, Governor's Office and Technical Directorates in the provincial planning process, thereby contributing to the establishment of a legal and policy framework for Iraq budget execution;

Activity 1.3.1: Identification of loopholes, grey areas in the current legal and administrative framework regulating decentralized planning and Budget Execution processes;

Activity 1.3.2: Mobilized international experts both within and outside UNDP to support the joint drafting of position papers addressing the identified gaps in adherence to internationally recognized best practices;

Activity 1.3.3: Facilitation of consultation between MoF/MoPDC and PC/Governor's office on policy recommendations included in the position papers, and advocacy for refinement of legal framework for decentralized strategic planning and Budget Execution;

Output 1.4: Finalized Provincial Development Strategy 2009-2011;

Activity 1.4.1: Build information management capacity in Governor's planning Unit for consolidation of needs assessments, sector/territorial/district plans, and for production of regular updates/progress reports on project implementation;

Activity 1.4.2: Strengthen coordination and information sharing between Secretariat of PC's Reconstruction and Development Committee, and Governor's office Planning Unit;

Activity 1.4.3: Based on the recommendations included in PDS 2007-2009's Review, assist in the drafting of an action-plan expected to guide collection of baseline information/consultation process at provincial/district and community level; PDS drafting; Outreach/media campaigns to publicize 2PDS;

Activity 1.4.4: Support the coordination among Provincial and District Authorities, Academic institutions, civil society, International Organization to collect baseline information on recovery, reconstruction and development needs;

Activity 1.4.5: Assist in organization and facilitation of PDS consultation process with national government, provincial authorities, districts and communities. Available tools: individual interviews, meetings, focus-group discussions, correspondence;

Activity 1.4.6: Support the consolidation of results and the drafting of the PDS (iterative process with draft-documents sent at regular intervals for comments to Governor's office, TDs and PRDC)

Activity 1.4.7: Outreach and media campaign to publicize 2010-2012 PDS

Output 1.5: Enhanced coordination of international capacity building exercises to support the strategic planning function in Basra Governorate.

Activity 1.5.1: Stocktaking of international and national agencies implementing governance programming in the province;

Activity 1.5.2: Facilitate the coordinated mobilization of international technical resources/ delivery of capacity building exercises to address gaps and bottle-necks along provincial planning and budget execution cycle.

Activity 1.5.3: Sustain the cooperation between Basra Donor Group and PRDC/Governor's office/TDs on the design, timing and implementation of capacity building programmes;

Activity 1.5.4: Institutionalize a channel of vertical coordination/information sharing between Baghdad- and Basra-Donor Groups on issues pertaining to Provincial Budget Execution Cycle.

Objective 2: Budget Execution Function Strengthen the capacity of the Governor's Office and district administrations in performing budget execution processes for the timely and effective implementation of priority recovery, reconstruction and development projects.

Output 2.1: *Completed functional analysis of Governor's office and definition of an integrated multi-agency training strategy to upgrade capacities of the Governor's Office in Budget Execution;*

Activity 2.1.1: Conduct Assessment of Governor's office organizational structures, operations, information management system, human resources and technical capacity to support the coordination among Planning Unit, Treasury and Accounting Office and Reconstruction Unit in executing the provincial Budget;

Activity 2.1.2: Take-stock of past, present and projected capacity building initiatives in Governor's office and identify overlaps and gaps in capacity building delivered by the international agencies;

Activity 2.1.3: Compile results in a Functional Analysis report;

Activity 2.1.4: Workshop Functional Analysis' report with Governor's office and with International Agencies (in coordination with LADP);

Activity 2.1.5: Define entry-points for UNDP capacity building activities in Governor's office;

Activity 2.1.6: Compile multi-agency Action-plan aimed at upgrading the capacity of the Governor's office.

Output 2.2: *Upgraded operations and information management systems in the Governor's Office; and enhanced coordination among Planning, Treasury and Reconstruction Units.*

Activity 2.2.1: Based on output 2.1, specify the components of UNDP support-strategy to upgrade Governor's office capacity: recruitment of new personnel, supply of new equipment, training module;

Activity 2.2.2: Support in the recruitment and training of new personnel (reorganization of the office);

Activity 2.2.3: Assistance in engineering and operating new equipment;

Activity 2.2.4: Design and deliver of on the job training modules.

Output 2.3: *Established planning and information management capacity in the Mayor's Offices of three pilot districts;*

Activity 2.3.1: Assessment of planning and information management capacity within mayor's office;

Activity 2.3.2: Set-up of a District Planning Unit (1 Engineer; 1 Socio-economist) in mayor's office (relying as much as possible on existing resources);

Activity 2.3.4: Training of District Planning Unit in IT, Strategic Planning and Community mobilization techniques;

Activity 2.3.5: Consolidation within the Planning Unit of information on present and projected: (1) Socio-economic needs, (2) Status of basic services, (3) Reconstruction and development projects in the district;

Activity 2.3.6: Support the engagement of the District Planning Unit in community mobilization exercises, needs assessment, project prioritization/design/management at community level;

Activity 2.3.7: Support the consolidation of lines of communication/information sharing between Governor's office planning unit and District planning Unit.

Output 2.4: Poverty mapping and socio-economic data collection for monitoring and implementation of development strategies conducted.

Activity 2.4.1: In coordination with MoPDC and UNDP LADP take stock of existing technical and human resources to conduct poverty mapping and socio-economic data collection at provincial level (PRDC, Planning Unit in the Governor's office, TDs, Universities);

Activity 2.4.2: Support the creation of a coordination and information management interface in the Governor's office to sustain interaction and the information flow with PRDC, TDs, Universities and civil society on poverty mapping and socio economic data collection in the province (LADP);

Activity 2.4.3: Support the coordinated engagement of Provincial Authorities, University and Civil Society in poverty mapping and socio-economic data collection in 3 pilot districts.

Objective 3: Empowerment of local communities Empower local communities; contribute to the improvement of basic infrastructure and services; and support income generation and job creation through the implementation of community based projects.

Output 3.1: Local communities mobilized and trained for the preparation of Community Recovery Plans and for the identification, prioritization, design, implementation and operation & maintenance of infrastructure/basic service projects in three pilot districts;

Activity 3.1.1: In coordination with District Authorities, facilitate the establishment of Community Organizations expected to sustain the coordination with District and Provincial Authorities on community needs' assessment, project design/management/ops/man;

Activity 3.1.2: Conduct trainings with local communities on participatory planning processes and project design/management at community level;

Activity 3.1.3: Support the organization of joint needs' assessments attended by members of the Community organization and the District Planning Unit;

Activity 3.1.4: Organize focus group discussions in the community to prioritize projects addressing basic service and infrastructure gaps identified in the needs' assessment

Activity 3.1.5: Deliver on the job trainings to support the drafting of Community development and reconstruction plans;

Activity 3.1.6: Foster interaction and information sharing between Mayor's office (entry-point to access the Provincial Administrative Structure) and Community Organization for the identification of financial resources, implementation/ops/man strategies to support the completion of prioritized projects.

Output 3.2: Three District Development and Reconstruction Plans completed through participatory consultations involving communities, district and provincial authorities.

Activity 3.2.1: Assist in the collection of Community Development and Reconstruction Plans to be consolidated into the District Plan;

Activity 3.2.2: Assist in the collection of baseline information/ needs' assessments on socio-economic, infrastructure, basic service profile of the district;

Activity 3.2.3: Delivery of on the job trainings for the drafting of district development and reconstruction plans;

Activity 3.2.4: Support communication and information sharing between District's planning Unit, and Technical Directorates/Governor's office on sector and provincial development strategies;

Activity 3.2.5: District's development Plan completed and presented for approval to the District Council

Output 3.3: Completed Territorial Plan for three pilot districts as a joint exercise of Governor's Planning Unit, Technical Directorates, district authorities and local communities;

Activity 3.3.1: Identify in coordination with Provincial Authorities 3 districts to be included in the pilot-exercise of territorial planning;

Activity 3.3.2: Define with PC, Governor's office and TDs Action plan for the exercise;

Activity 3.3.3: Support the mobilization of Districts and local Communities to support territorial planning exercise;

Activity 3.3.4: Facilitate the implementation of joint field assessments involving TDs, District Authorities and local communities;

Activity 3.3.5: Deliver on the job trainings in the Governor's planning unit for the drafting of territorial plans.

Output 3.4: Viable local economic development-, income- and employment-generation projects identified and implemented at community level;

Activity 3.4.1: Conduct market research at district and provincial level and collect business ideas developed by the communities in the target areas;

Activity 3.4.2: Support the development of the most viable project ideas into project proposals – delivery of trainings on Business plan;

Activity 3.4.3: Provision of financial support (grants) to support the implementation of income and employment generation projects;

Activity 3.4.4: Facilitate the matching between funds available at provincial level (either in the provincial budget or among the donor community) and the projects developed at community level;

Activity 3.4.5: Support the access to information, legal, financial and networking services (Business Development Officers) available at provincial level.

Output 3.5: *Harmonized area based development strategies implemented by international agencies in Basra with the aim of fostering the consolidation of Iraqi owned and Iraqi lead budget execution practices.*

Activity 3.5.1: Stocktaking of international and national community based programmes implemented in Basra province;

Activity 3.5.2: Support interagency coordination/information sharing during the design and implementation of community based programmes/Quick impact projects;

Activity 3.5.3: Foster the institutionalization of communication channels linking Donor Group/Governor's office (Planning Unit)/PRDC on implementation of community projects;

Activity 3.5.4: Foster the adoption of shared practices among donor agencies to coordinate community projects with provincial/district authorities and local communities;

Output 3.6: *Basic infrastructure and community services rehabilitated within the framework of UNDP-supported community self-help initiatives.*

Activity 3.6.1: Based on Output 3.2., identification of priority infrastructure interventions via consultation processes involving provincial and district authorities along with community organizations.

Activity 3.6.2: Support the engagement of Technical Directorates and District Authorities in project design exercises conducted at community level to address identified infrastructure-gaps.

Activity 3.6.3: Funding of small infrastructure projects for the improvement of basic services at community level;

Activity 3.6.4: Facilitate the matching between funds available at provincial level (either in the provincial budget or among the donor community) and the projects developed at community level.

E. PROJECT IMPLEMENTATION

E.1 Project Execution

The project will be executed under UNDP's Direct Execution Modality (DEX), whereby UNDP is accountable for the project's objectives and is responsible for its overall management.

A team of international and local human resources will be deployed to Basra to sustain the interaction with the stakeholders in Basra, deliver BES programmatic activities and maximize the integration and cross-fertilization among development and reconstruction activities in the region. Basra remains a highly insecure environment, where militia-type organized groups, some of them opposing the foreign presence in Basra, sustain high levels of armed violence and pose a constant threat to the safety and security of international personnel. As a result, the UNDP international staff-members that will deploy to Basra are expected to live and work embedded in the Basra UK Contingency Operation Base (COB).

This translates in the following operational assumptions that have to be taken into consideration while planning for the BES's implementation strategy:

- Limited number of living accommodations and working stations available in COB for UNDP operations at any given time;
- Access of UNDP local staff to the COB to be managed in close coordination with the UK military structures and possibly subject to sudden and unexpected restrictions in compliance with the COB security regulations;
- Interaction with local counterparts to be sustained through meetings organized in secure venues under close protection of UK Military/Security personnel;
- No freedom of movement for UNDP international staff members outside of the COB perimeter unless organized with Multinational Division South-East (MNDSE) security and logistic support.

E.2 Project Management

UNDP Internal Coordination Arrangements

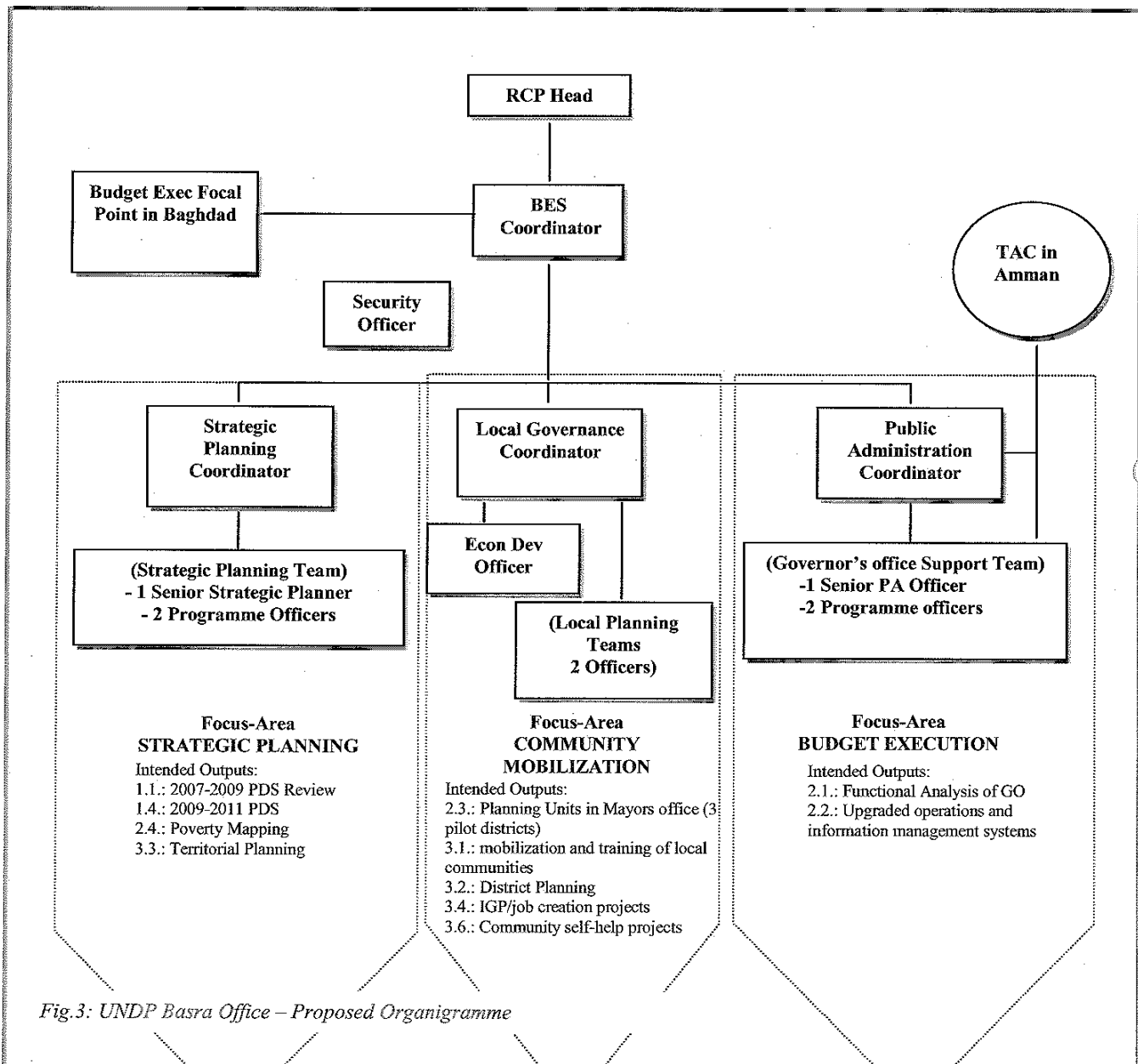


Fig. 3: UNDP Basra Office – Proposed Organigramme

During BES inception phase, the primary task of the Advance-Team will be to finalize the recruitment of the LES that will work on the implementation of BES in Basra. Once this has been achieved, the coordination of BES roll-out phase should be taken over by a UNDP 4-member team (Core-Team) of international staff deployed in COB. The Core-Team will coordinate the activities of the LES assigned to the three focus areas of the project: strategic planning, budget execution support, and community mobilization (see fig. 2). The Core-Team is to be composed by: (1) The BES Coordinator expected to provide overall strategic guidance to the implementation of the project and to perform institutional representation duties *vis-a-vis* international and local stakeholders; (2) The Strategic Planning Coordinator responsible for the Strategic Planning Focus-Area of the project; (3) The Public Administration Coordinator in charge of the capacity building activities in the Governor's Office (Budget Execution Support focus-area); (4) The Security Officer providing operational support to the activities of the Core-Team. UNDP BES will also deploy on short-assignments international experts to advise on the design and implementation of projects in the community mobilization and strategic planning focus areas (Engineers, Local Development Consultants, Media Officer).

The Strategic Planning Coordinator, the Local Governance Coordinator and the Public Administration Coordinator report to the BES coordinator and are given the responsibility for the implementation of the project activities in their respective focus areas:

- The Strategic Planning Coordinator will manage the activities of the Strategic Planning Team assisted by the Senior Strategic Planner;
- The Local Governance Coordinator will supervise the work of the Economic Development Officer and of the Local Planning Teams in the 3 districts included in the pilot exercise for territorial planning and community mobilization.
- The international Public Administration Coordinator will guide the activities of the GOST assisted in Basra by a Senior Iraqi Coordinator, which will provide day to day guidance to the activities of the other members of the GOST.

The coordination process between the international Core-Team sitting in the COB and the LES based outside will be flexible and relying on a combination of tools including: meetings and work sessions inside the COB, reports by email, phone and VC/IT equipment.

The BES Coordinator will liaise and provide guidance by remote to the day to day activities of the Budget Execution Focal-Point working in Baghdad. A parallel line of reporting will be opened with the Head of UNDP Baghdad sub-office to ensure regular information exchange between UNDP programming in Baghdad and Basra.

The BES Coordinator is accountable to the Head of the Recovery and Crisis Prevention Programme. The communication and coordination between BES in Baghdad and the other programme units in Amman will be maintained using RCP head or Deputy Head as an interface. This will apply also to the strategic coordination between the RCP's BES and the Poverty Alleviation's LADP programme⁴. Operational coordination and information sharing between the two programmes in Basra will be sustained through regular communication between Basra LADP focal-point and BES Coordinator. The possible areas of BES-LADP coordination/partnership in Basra are listed in Fig. 3.

⁴ LADP: Local Area Development Planning - This is a country wide initiative that brings together seven UN Agencies to stimulate local economic development, generate short and sustainable longer term employment and promote human rights. In Iraq Lower-South, LADP is led by UNDP and targets the Marsh-Lands region across the governorates of Maysan, Dhi-Qar and Basra (Mudaina District).

Fig.3: Potential Areas of BES-LADP Coordination

- Iraq*
- ✦ CRITIQUE/REVIEW OF PDS 2007-2009 TO FUNCTION AS AGENDA-DOCUMENT/BLUEPRINT FOR THE STRATEGIC PLANNING EXERCISE 2009-2011;
 - ✦ SUPPORT TO COORDINATION AND INFORMATION EXCHANGE BETWEEN MOF/MOPDC AND PROVINCIAL COUNCIL/GOVERNOR'S OFFICE ON STRATEGIC PLANNING AND BUDGET EXECUTION;
 - ✦ SUPPORT TO THE CONSULTATION AND PLANNING EXERCISE FOR THE COMPLETION OF BASRA PROVINCIAL DEVELOPMENT STRATEGY 2009-2011;
 - ✦ FUNCTIONAL ANALYSIS OF GOVERNOR'S OFFICE AND THE DEFINITION OF AN INTEGRATED MULTI-AGENCY TRAINING STRATEGY TO UPGRADE CAPACITIES OF THE GOVERNOR'S OFFICE IN BUDGET EXECUTION SUPPORTED;
 - ✦ CAPACITY BUILDING ACTIVITIES IN THE GOVERNOR'S OFFICE;
 - ✦ POVERTY MAPPING AND SOCIO-ECONOMIC DATA COLLECTION FOR MONITORING AND IMPLEMENTATION OF DEVELOPMENT STRATEGIES CONDUCTED.

In relation to the activities of UNDP Mine-Action Programme, BES aims at expanding the opportunities for cooperation between UNDP and Provincial Authorities: a particular effort will be made to raise the awareness of BES local counterparts (both at governmental and non-governmental level) on past, present and future UNDP Mine-Action initiatives in Basra. BES programme activities are meant to support the establishment of a sectoral platform for center-province cooperation on strategic planning and execution of Mine-Action related interventions with provincial scope.

Coordination with National and International Stakeholders

National Stakeholders

The main Iraqi counterparts for the implementation of the programme are:

- Provincial Authorities: Basra Provincial Council, Basra Governor's Office, Technical Directorates;
- Mayor's Office and villages in the three districts selected for the territorial planning and community mobilization exercises;
- Universities and civil society organizations operating in Basra province.

The institutional representation function and the strategic coordination on substantive issues with the Provincial Authorities will be covered by the BES Coordinator assisted by the other members of Basra Core-Team working in COB. The Core-Team with the logistic and security support of UK FCO personal details will attend regular meetings with the BES local stakeholders in the civilian side of Basra airport, adjacent to the COB. The meetings may be bilateral to discuss BES specific issues or within the framework of the Governance Working Group (for strategic planning/Budget Execution Component) or the Provincial Reconstruction Donor Coordination Group (for Community Based Projects).

The substantive coordination with Provincial and District Authorities, University and Civil Society for the day-to day implementation of the project activities will be carried out by the Senior Strategic Planner (Strategic Planning focus area); Local Governance Coordinator (Community Mobilization focus area) and GOST local coordinator (Budget Execution).

International Stakeholders

The main international counterparts are expected to be:

- Basra Provincial Reconstruction Team (PRT) – Focus-areas: capacity building support to the strategic planning function of Basra Provincial Council; assistance to the set-up of Basra Investment Agency/Basra Investment Fund and Basra Development Commission; capacity building for the judiciary; community projects – Quick Reaction Funds.
- Tatweer/USAID – Focus-areas: capacity building programme targeting Governor’s Office and Technical Directorates.
- UNOPS – Focus-areas: community mobilization schemes and socio-economic projects in 3 districts of Basra province
- RTI – Focus-area: capacity building support to Governor’s Office and civil servants working in district and sub-district administrations.
- MND(SE) – CIMIC (J9) – Focus-area: Quick Response Projects at community level.

UNDP BES international staff is expected to work inside the PRT facilities in the COB. This will allow for a day to day interaction on substantive issues with PRT Governance, Socio-economic and Rule of Law/Human Rights advisers.

The substantive coordination with the other international counterparts based in Basra will mainly rely on the biweekly sessions of the Basra Donor Group, which will focus primarily on: (1) Governance activities to support Basra Provincial and Sub-provincial administrations along the Strategic Planning and the Budget Execution Process; (2) Implementation of community based projects. The meeting will be chaired by UNDP and attended by all the members of the BES Core-Team in Basra.

E.3 Monitoring and Evaluation

Monitoring:

A BES monitoring committee will be established in Basra by the end of BES Inception period. The committee will include representatives of the Provincial Authorities, along with Districts and communities included in the pilot-territorial planning exercise. The committee will convene on a biweekly basis to take stock of progress and constraints encountered in the delivery of capacity building activities, planning exercises and implementation of projects at community level.

External monitoring and spot-checks will be undertaken by independent local consultants engaged for this purpose by UNDP M&E Unit.

Evaluation:

Under the current conditions in Iraq, internal/external mid-term and final evaluations of project/programmes are difficult to undertake as extensive field visits are not possible. BES evaluation will therefore have to rely heavily on high-quality project/programme documentation, monitoring and spot-check reports, as well as systematically collected data/information relevant to the project/programme, in addition to interviews with international and national central-level stakeholders and, if possible, with local stakeholders in a secure environment. Given the highly volatile security environment and the costs related to the deployment on a permanent basis of international staff to Basra, a particular focus will be given to the cost/benefit analysis of the implementation modalities adopted by BES programme.

E.4 Project Risks

As the political and security situation remains precarious in Iraq, and particularly in Basra, it is inevitable that the responsiveness of the project will depend on the situation on the ground and the timely availability of resources. (Section **E.1 Project Execution** spells out the contingency plan in view



Iraq

of operating under the unstable security environment of Basra.) UNDP would proceed with a flexible plan of action and continuous consultations with all its partners including local communities. Project implementation is very dependant on the situation on the ground and will require:

- A conducive environment for UNDP personnel to make assessments;
- A security situation which is considered suitable for the UNDP staff to implement the activities;
- Efficient co-ordination and cooperation between all partners and stakeholders to ensure integrated initiatives and collaborative efforts.