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**STRATEGIC REVIEW OF DFID  
GOVERNORATES CAPACITY BUILDING  
PROGRAMME**

November 2008

Stabilisation Unit

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## Abbreviations

BDC	Basra Development Commission
BDF	Basra Development Fund
BIC	Basra Investment Commission
BIPA	Basra Investment and Promotion Agency
CMOC	Civil-Military Operations Centre
COB	Contingency Operating Base
GCBP	Governorates Capacity-Building Programme
GDF	Governorates Development Fund
OPR	Output-to-Purpose Review
PAA	Public Administration Adviser
PC	Provincial Council
PCR	Project Completion Report
PDP	Provincial Development Plan
PDS	Provincial Development Strategy
PIC	Provincial Iraqi Control
PRDC	Provincial Reconstruction Development Committees
PRT	Provincial Reconstruction Team
RTI	Research Triangle Institute
SIRCG	Southern Iraq Reconstruction Coordination Group
UNAMI	United Nations Assistance Mission to Iraq
UNDP	United Nations Development Programme

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## **1. Executive Summary**

This review was carried out by the Stabilisation Unit on behalf of DFID. Its purpose is to assess the progress and performance of the Governorates Capacity Building Programme (GCBP) in southern Iraq, and capture lessons and recommendations for the future.

The GCBP ran in southern Iraq from August 2004 to June 2008. Its original aim was to assist the four southern Governorates – Basra, Dhi Qar, Muthanna and Maysan – to manage the reconstruction effort effectively and to reduce poverty through local economic development. This was to be delivered through three main strategies – public sector capacity building, private sector development, and strengthening civil society. For a variety of reasons – political, security and resource – the aims of the programme were altered over the course of its four years, becoming entirely focused on public sector capacity building for a long period, until economic initiatives were revitalised in late 2007. It also focused increasingly on Basra, and less on the other provinces, during the course of the programme.

Assessing the impact of the GCBP is complicated by the often intangible nature of its work. While the GCBP probably contributed towards more effective management of the budget cycle, and the relative maturity of the Provincial Development Strategy and Plans in Basra, it is difficult to quantify exactly how much effect can be attributed to GCBP. These processes appear to have acquired a good degree of local Iraqi ownership, although only time will tell how much. The four southern provinces all now score relatively well on budget execution, but the withdrawal of resources from Dhi Qar, Muthanna and Maysan in 2006 means that trying to establish a clear link back to GCBP's legacy work there is difficult. Other positive but intangible benefits brought by GCBP included the provision of an avenue to maintain working level relations with the Iraqis even when bilateral relations were strained at senior political and military levels. The re-focus on economic initiatives in 2008 has seen some modest success, but this can only be properly gauged in the longer term.

GCBP did not deliver its ambitious earlier aims, which were drastically scaled back when faced with political and security realities. It had limited success in coordinating with other donors, and as such missed opportunities to leverage the work of the military in Basra, nor to properly transition work to other donors in Dhi Qar, Muthanna and Maysan when GCBP withdrew from those provinces. Although the flexible approach and devolved responsibility of GCBP may have allowed it to respond more quickly to local needs, the lack of strategic management of the programme from DFID meant that key decisions on approach and focus were not always taken at the correct level.

This review therefore draws a number of lessons from the GCBP experience, and recommendations for the future. These include the importance of the design phase of such programmes – the need to factor in the reality of the situation on the ground and manage expectations from the outset. Management of such programmes needs to find a better balance between flexibility in the field and strategic direction from DFID. Effective donor coordination is vitally important both to maximise the effect of such programmes, and also to transition it to others actors when appropriate.

In summary, the GCBP was an ambitious programme which delivered some good work under difficult circumstances, with some positive but intangible benefits. However, shortcomings in the design, management and evolution of GCBP ultimately meant that opportunities to maximise its effect were not exploited.

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## Key recommendations

- Implementing technical assistance programmes in unstable environments through a consultancy contract requires adequate HMG staffing to maintain strategic management and leadership.
- Reporting lines need to be agreed from the outset with clear responsibilities for delivery and accountability. DFID should avoid separating financial and programmatic accountability or ensure it is clarified by clear documentation such as a memorandum of understanding.
- Flexible funding and staffing arrangements are an essential element to ensure continued programme delivery in difficult environments and should be factored in to programme design.
- Robust programme monitoring is crucial in an unstable environment. Standard DFID guidance should be applied to logframes and progress indicators. In the absence of concrete identifiable indicators due to the operating environment, some alternative form of assessment should be adopted to monitor progress (such as joint reviews with PRT partners or use of local staff).
- A comprehensive risk management plan should form part of programme documentation, with clear contingency plans in place, particularly in highly unstable environments such as Iraq.

## Additional recommendations

- Programme objectives should be linked in to departmental and HMG policies where possible, and should be flexible enough to adapt quickly to changing political priorities.
- Programme design and inception need to be context-specific, or at least include mechanisms for the implementation to be explicitly linked to the context.
- DFID/HMG should make better use of existing tools such as Strategic Conflict Assessments and Scenario Planning methodologies to ensure realistic objectives and assumptions.
- Reform assistance in the provinces needs to be linked to central institutions and wider efforts.
- Consultation with other stakeholders should take place prior to programme design and include a clear framework with objectives for ongoing and future co-ordination.
- Programme design should give full consideration to developing an 'exit strategy', and be proactive in identifying and encouraging other donors with which to coordinate and transition work.
- In difficult environments in particular, logframes should be reviewed and updated on a regular basis (twice a year), or more frequently if events dictate. Individual workplans should be produced and updated in line with changes to the logframe. Significant changes to the objectives and approach of the programme might also warrant closing the programme and starting a new one.
- A communication plan should form part of programme documentation to ensure regular and organised collection and dissemination of information on progress.
- A proper mechanism, such as a weekly working group, to ensure coordination with other key donors should be established early on in the programme, with clear and agreed terms of reference.

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## **2. Objectives and methodology of the review**

### **2.1 Purpose**

The purpose of the review was threefold:

- To provide an overview of the GCBP from 2004 to 2008, looking at its design, evolution, achievements and constraints;
- To provide an assessment against original and final logframes for the DFID Project Completion Report; and
- To identify lessons and provide recommendations for the implementation of ongoing and future similar programmes in difficult security environments.

### **2.2 Methodology**

The review is primarily based on discussions and consultations with key stakeholders, including Iraqi Government counterparts, former and current DFID and OGD staff, GCBP consultants and key international donors (see Annex B). The review team undertook a week-long visit to the Basra Provincial Reconstruction Team and to the Dhi Qar, Muthanna and Maysan PRTs based at the US Tallil Airbase.

This was supplemented by a review of key GCBP documents, including Enterplan/Coffey programme and activity reports, DFID reviews and additional supporting information such as Iraqi Provincial Development Strategies (see Annex C).

## **3. Background and evolution of GCBP**

### **3.1 GCBP inception phase and roll-out (2004 to early 2005)**

In May 2004, DFID received approval to proceed with the preparation of a new capacity-building programme for the four southern Governorates of Iraq, Basra, Dhi Qar, Maysan and Muthanna. A total of £20.5 million were allocated to this programme, initially for two years.

#### **3.1.1 Background**

This new focus on strengthening institutional capacity in the governorates was in recognition of the lack of local government capacity to manage reconstruction and development efforts effectively. Although provincial and district councils existed under Saddam's regime, they had little say over policy, planning and financial matters. A significant part of the efforts in the South under the Coalition Provisional Authority had focused on rebuilding and developing the infrastructure and establishing Iraqi local and provincial government bodies. Little attention had been paid to developing capacity and reforming institutions.

DFID saw its role as a catalyst for the anticipated large flows of aid from the International Reconstruction Fund for Iraq, the US and other bilaterals. The GCBP would seek to ensure that the funds were spent in a sustainable and responsive

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manner by an increasingly effective government, thereby contributing to poverty reduction in the southern provinces.

### **3.1.2 Initial programme focus**

In light of the above, GCBP was initially designed to address the following priorities:

- Public sector capacity-building of key ministry directorates and councils, with an emphasis on strategic planning, budgeting and consultative processes;
- Private sector development through SME capacity-building and small enterprise development; and
- Strengthening civil society-local government and centre-regional links.

Out of the £20.5 million allocated to the programme, £14 million were set aside for a small projects fund, the Governorates Development Fund. This fund would be used directly to support the programme's outputs by:

- Developing local capacity in the transparent, accountable and effective use of public funds;
- Implementing local development initiatives according to locally agreed needs and priorities;
- Supporting and encouraging the development of area-based inclusive planning; and
- Developing local institutional resources for capacity-building.

### **3.1.3 Programme roll-out**

GCBP had a difficult birth. From September to November 2004, Enterplan/Coffey deployed Public Administration, Private Sector Development and Social Development Advisers to Basra province. [But due to lack of progress, changes were made in GCBP personnel.]

GCBP also faced difficulties finding consultants and mobilising them to the outlying provinces due to the security situation, and work in these provinces did not start until 2005.

## **3.2 GCBP Phase I (2005)**

### **3.2.1 Early 2005 – Establishing GCBP in Basra and expanding to Dhi Qar, Maysan and Muthanna**

Efforts in early 2005 focused on establishing GCBP in Basra and expanding to the outlying provinces. Public Administration Advisers were deployed to Dhi Qar, Maysan and Muthanna. One Public Financial Management Adviser was based in Baghdad, with responsibility for improving the centre-region budget linkages and processes.

Activities included assistance with developing appropriate operating structures and procedures and development of skills in strategic planning and operational management. This was provided to the Provincial Councils, governors' offices and key technical directorates (finance, power and water, municipalities and public works). Greater progress was made in Basra, due partly to the security situation and the concentration of technical and political UK efforts. The PC members undertook a study visit to the UK and Denmark, and a provincial governance resource centre was established within the new PC office in Basra.

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On Private Sector Development, GCBP undertook a range of training initiatives for women's groups, Basra university students, local school children and the unemployed. Over 2,000 people took part in courses on growing commercial ideas. This represented the bulk of the spend of the Governorates Development Fund, which totalled \$870,000 allocated in April 2005.

Progress was minimal in the Social Development workstrand. Following an initial assessment, work was refocused to build local government capacity to engage with civil society groups and vice-versa, and a working group on civil society capacity-building issues was set up for the four provinces.

During this period, GCBP expanded significant efforts to support the UN (not yet fully re-deployed) and the Iraqis taking a greater leadership role in donor co-ordination mechanisms, the key one being the Southern Iraq Reconstruction Coordination Group.

### **3.2.2 Initial DFID reviews and GCBP rationalisation**

Following DFID Iraq budget cuts, a re-allocation of the Iraq funds to infrastructure projects and an increase in security and life-support costs, DFID carried out an initial Output-to-Purpose Review (OPR) in May 2005. DFID's management view was that unless the GCBP team were able to deliver working systems by the end of June 2005, it would consider closing the project to free up further funds to be used elsewhere.

The review resulted in the following changes:

- Reduction in staff numbers from 14 to 8;
- Rationalisation of the workstreams to focus mainly on public and private sector reform, discarding civil society development as a workstream (other international efforts were underway in this area);
- Reduction in staff for the outlying provinces (one public administration adviser per province but two roaming private sector development advisers covering four provinces);
- Drawdown of technical expertise on civil society, enterprise development and donor co-ordination through short-term inputs;
- Reduction in GDF activities to a minimum, with overall expenditure under the GCBP were capped at £10 million in 2005/6, including security and life-support costs. This would significantly affect the GDF, which was cut down to £1.4 million.

During this period, freedom of movement was also further restricted. Security incidents led to periods of lockdowns, with Basra and Maysan-based advisers being particularly affected and access to counterparts reduced. GCBP activities focused on providing assistance to reform PC sub-committees and technical working groups and providing strategic planning training and mentoring to the Provincial Reconstruction Development Committees (PRDC).

The November 2005 review noted the political difficulties between HMG and some of the PCs, but emphasised the progress made by the public administration advisers in supporting the PC and PRDC planning processes. Progress was also made in ensuring greater donor alignment to PRDC plans through regular monthly UN-chaired Iraqi-donor meetings. GCBP facilitated linkages with the central government, inviting key Baghdad counterparts to some of the regional workshops, and ensuring a



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consistent focus on integration of provincial plans within the National Development Strategy.

The review recommended the following actions:

- Recruitment of additional governance post to consolidate public reform efforts to be located within MND(SE) and focus GCBP on public administration;
- Refocus short-term enterprise development efforts to Basra, Maysan and Dhi Qar;
- Terminate civil society and donor co-ordination input; and
- Extend GCBP to March 2007.

### **3.2.3 Summary**

Over the course of its first year and a half, the original design and priorities of GCBP were significantly narrowed down.

From an initial focus on three workstrands: public and private sector reform and civil society development, all underpinned by greater Iraqi and UN-led donor co-ordination, GCBP was scaled down to a primary focus on capacity-building of provincial authorities, increasingly with the PC and PRDC and less with the technical directorates which were to be the focus of MND(SE)'s Governance Sector Reform teams. At the same time, the level of engagement was also reduced in Dhi Qar, Maysan and Muthanna.

This was partly a result of more realistic expectations of what could actually be achieved in what was becoming an increasingly difficult operating environment (the November 2005 review elevated GCBP's programmatic risk to high due to the security situation), but also a result of greater resourcing constraints on DFID coupled with perhaps an increasing sense that DFID needed to start looking at its exit strategy.

### **3.3 GCBP phase II (end 2005 to mid-2006) – Transitioning to the PRTs**

#### **3.3.1 GCBP priorities – Provincial Development Strategies**

Political and security difficulties continued to hinder the level of engagement with Iraqi counterparts, in particular in Basra and Maysan, leading to a greater focus on working through local staff and holding GDF-funded workshops in the region. The GDF allocation was therefore amended for the second time and increased from £1.4 million to £2.4 million.

GCBP work in early 2006 continued along the same priority in all four provinces, with a clear focus on providing assistance to help draft Provincial Development Strategies (PDS) and on public financial management, ensuring that the south would be linked into the national budget process. Workshops focused on strategic provincial planning took place in Beirut (March 2006), Amman (May/June 2006) and Bahrain (June 2006). In March 2006, the private sector development workstrand was terminated, with ad hoc access available through short-term technical enterprise development advice.

#### **3.3.2 GCBP transition**

Building on experience in Afghanistan, US Secretary of State announced at the end of 2005 the establishment of Provincial Reconstruction Teams (PRTs) across Iraq

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During the first half of 2006, PRTs were gradually established in Basra, Dhi Qar, Maysan and Muthanna. The Basra PRT was to be the only one headed by the UK, with the Italians taking responsibility for Dhi Qar and the US for Maysan and Muthanna.

## *Transition in Dhi Qar, Maysan and Muthanna*

DFID decided in February 2006 that it would not maintain a permanent presence in the provinces once coalition military bases had closed. As a result, when both Maysan and Muthanna reached Provincial Iraqi Control (in July 2006), direct GCBP input through the Public Administration Advisers' position was brought to an end. The exit strategy had been twofold: firstly, to hand over to the UN, through UNDP; and secondly, to maintain contact with the PCs through their continued attendance at regional training workshops until such time as UNDP would completely take over. However, the initial plan to hand over to the UN was only met with limited success and the PRTs have since then taken on the bulk of the capacity-building efforts, primarily through the USAID-funded RTI programme.

For various reasons, no formal handovers with the PRTs took place. In Maysan, the security situation was such that the American PRT, which was set-up in early 2006, was unable to maintain direct engagement in the province. And in Muthanna, the PRT was not set-up until after the Public Administration Adviser had left.

In Dhi Qar, which transitioned to Provincial Iraqi Control in September 2006, the situation was different, as a significant coalition military base was to remain in the province. However, political and personalities' difficulties were such – the Italian PRT adopted a strong unilateral approach – that the Public Administration Adviser resigned within the first two months of the PRT being established (June 2006) and the position was terminated.

## *Transition of GCBP to the Basra Provincial Reconstruction Team*

GCBP was formally transitioned to the PRT in July 2006. The consultants were incorporated into the PRT (although GCBP would remain under DFID control) and staffing resources were consequently streamlined – the regional governance adviser position was terminated and Coffey managerial inputs were reduced, resulting in a total of five permanent advisers, with a pool of funding available to secure ad hoc short-term technical input (up to £320,000).

The Better Basra plan, the UK integrated PRT plan for Basra province, was to provide the strategic direction and focus for continuing GCBP efforts, with a clear steer to support the preparation of the Strategic Development Plan and its implementation, and to internationalise UK efforts.

### **3.4 GCBP Phase III (mid 2006 to mid 2008)**

#### **3.4.1 GCBP under PRT leadership**

With GCBP now firmly embedded in the Basra PRT, and a refocusing on Basra at the expense of the other provinces, the third and final phase of GCBP began.

At this time, GCBP's reporting mechanisms were incorporated in PRT reporting, in an effort to reduce the heavy reporting burden on staff. There were no quarterly or annual project reports for GCBP produced after November 2006. This meant that

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GCBP-specific reports were no longer produced, and there is consequently a reduction in information about GCBP in this phase, and a tendency for reporting to blur GCBP and wider PRT lines.

This also coincided with a shift in the management of GCBP, with management coming much more directly from the PRT leader, and Coffey taking a more hands off approach.

GCBP was however intended to continue along the same path under the PRT, albeit now more Basra-focused, working to execute the 2006 budget, supporting the finalisation of the Provincial Development Strategy and the development of Provincial Development Plans, including prioritising a budget for 2007.

Basra was the first Iraqi province to produce a draft Provincial Development Strategy in mid- 2006 and was joined by the other 3 provinces. The Basra PDS was finalised in 2007.

As the security situation in Basra started to deteriorate in mid 2006, UNAMI withdrew, leaving the PRT to perform much of their donor coordination work. The UN did not return to Basra, with UNDP, until February 2008, at which point the PRT worked hard to align UNDP with GCBP public administration work.

In October 2006 there was a significant deterioration in the security situation in Basra, with a number of close calls for civilian staff. The PRT was therefore temporarily relocated Basra Palace to Kuwait in November, returning to Iraq early in the New Year, but this time to the Contingency Operating Base (COB) at the airport outside Basra. This was a difficult period in which the security situation prevented the GCBP from having good levels of contact with Iraqi interlocutors, and in which the dislocation of the British military and civilian effort hampered a coordinated approach.

The security situation was a key factor in the decision to use GDF to fund overseas workshops throughout 2007, in Amman, Beirut & Dubai, enabling engagement with Iraqi interlocutors not only from Basra, but also Dhi Qar, Muthanna, Maysan and Najaf, in a benign environment. This allowed the work of GCBP to continue, as well as providing a continued avenue for dialogue which may not have otherwise existed during this difficult period. The workshops were a key factor in enabling production of Provincial Development Strategies and budgets across all 4 provinces (plus Najaf) for 2007, with a good degree of Iraqi ownership.

In April 2007, an OPR and revised logframe were produced by DFID. This was the final logframe produced for GCBP, and consequently does not reflect changes which took place later in the programme.

### **3.4.2 GCBP and the Prime Minister's economic initiatives**

In July 2007, the Prime Minister launched with Prime Minister Maliki a new economic initiative for Basra, and subsequently announced this in Parliament in October. The Prime Minister wanted to give Baswaris a stake in their future, and underpin progress in political and security developments. GCBP was chosen as the delivery mechanism to implement these initiatives by establishing three bodies – a Basra Development Commission (BDC) - co-chaired by Michael Wareing (CEO of KPMG International) at the Prime Minister's request – and underpinned by the Basra Development Fund (BDF) and Basra Investment and Promotion Agency (BIPA). An additional consultant was appointed to assist this work, and the contract with Coffey was also amended to reflect the required increase and re-focus of efforts. BDC, BDF

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and BIPA have had teething problems in getting traction with Iraqi counterparts, mostly stemming from the fact that these were essentially British creations foisted on the Iraqis, rather than emerging from their priorities. Nevertheless, by the time the GCBP was being brought to a close, the economic initiatives were starting to look more promising. The BDC has undoubtedly generated interest from investors and BIPA (which name was changed to the Basra Investment Commission) gradually reflected national processes better. In addition, a Youth Unemployment Task Force and Basra Economic Development Strategy Working Group were also being established as part of the BDC. But the BDF had not made any progress by the end of GCBP and was subsequently reviewed under TSI.

In December 2007, Basra transferred to Provincial Iraqi Control (PIC). Although the security situation had been improving up to this time, early in 2008 it began to deteriorate again, with high levels of militia activity in Basra, and an increase in IDF attacks on the COB. In late March 2008, taking the coalition by surprise, Maliki initiated an Iraqi-led operation (Charge of the Knights) to crack down on militia activity in Basra. Despite a shaky start, with coalition support the operation was viewed as a success, and Basra became a much more benign environment as summer 2008 approached. As a result, in the final weeks of GCBP, staff were able to begin some moves into Basra again, and Iraqis were more willing to go to meetings on the COB. GCBP was transferred to TSI as a certain amount of optimism began to return to Iraq, and to the British efforts there.

## **4. Impact assessment of GCBP**

### **4.1 Key achievements**

Assessing the impact of GCBP is hampered by a number of factors. Firstly, the approach of GCBP very quickly became one of public administration capacity building, and encouraging the Iraqis to lead that process. Trying to measure levels of capacity and levels of Iraqi ownership is extremely difficult, and can only really be judged by their ability to continue these processes once donors have left. Second, the security situation not only hampered the work of GCBP, but also made it difficult to measure its impact. The inability to get out on the ground, adequately monitor and evaluate projects, means that information on GCBP's impact is patchy. Even this review was unable to engage with as many of GCBP's Iraqi 'customers' as it would have liked, due to security and duty of care considerations. Third, judging how much impact GCBP had, as opposed to other donors (USAID and their implementing partner Research Triangle Institute) is also intangible. USAID/RTI and GCBP in some cases claim success for the same outcomes, and even Iraqi interlocutors find it difficult to distinguish the origin of assistance.

That said, GCBP can take some credit in a number of areas:

- Basra was the first province to produce a Provincial Development Strategy (PDS), in mid-2006. Although basic, the document was an important marker in the process of getting the Provincial Council to prioritise and plan projects, and own the process of funding and implementing them. This has been followed up by a second improved iteration of the PDS in 2007, and a third PDS is being produced in 2008. The PDS process is therefore more mature in Basra than elsewhere, and underpinned by Provincial Development Plans. Basra also performs comparatively well on budget execution. In 2006, the Basra authorities spent 30 billion dinars; in 2007 they spent 210 billion in eleven months (albeit much from the 2006 unspent money).

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- GCBP provided an important avenue for coordination with other donors. GCBP's goal very early on was to bring the UN into its work on public administration, both to bring legitimacy and as an exit strategy for the UK effort. It succeeded in this in February 2008 when the UNDP came on board. While not formally part of the PRT, the UNDP representative in Basra sits in the PRT and works alongside the GCBP governance adviser. UNDP's work on budget execution at the district and sub-district level, and with the Governor's office, provide a complement to GCBP's focus on Provincial Council capacity. UNDP's future presence will also provide some assurance that the improvements made under GCBP will be carried forward once the UK effort draws down.
- GCBP's other key achievement has been to sustain working level dialogue with the Iraqis even during times of poor security, and strained bilateral relations at the political and diplomatic levels. Overseas workshops in 2007 enabled GCBP to continue to engage with the four southern provinces, and progress the PDS and budgetary process in a benign environment. GCBP also provided a bridge for Basra and Baghdad to engage at the technical level, when relations between Prime Minister Maliki and Governor Waili were at a low. GCBP's ability to sustain some level of delivery in an extremely difficult environment should not be underestimated.
- The Prime Minister's economic initiatives have yet to deliver tangible progress, but their impact cannot fairly be measured in such a short time. They have undoubtedly raised interest in Basra as an investment opportunity, which can only be a positive development.

However, the positive aspects above require some important caveats:

- As mentioned in the opening paragraph, GCBP's impact on the PDS and budgets needs to be assessed as part of the overall donor effort in these areas. In particular, USAID and RTI claim full credit for the mature PDS record in Basra through their own projects. It is unfortunate that GCBP and USAID/RTI were not able to coordinate their work in this area better, despite attempts made by both organisations to do so.
- As well as problems coordinating with USAID, GCBP had mixed results in its attempts to coordinate with the military – J9 and then CMOC. There has been an acknowledged difference of approach between the two, with GCBP concentrating on longer term capacity building and sustainable Iraqi owned processes and the military keen to make quick visible improvements to Basra. Clashes of approach and personality often led to the two programmes of work counteracting each other. Although not in its original design, GCBP could and should have made more effort to ensure the two work programmes were better aligned.
- GCBP chose to focus on the capacity of the Provincial Council and Provincial Reconstruction and Development Council. There is a question mark over whether this was the right approach, and whether that focus was the most sustainable one. It may have been better to allocate some resources to the technical directorates, which might arguably have a more sustained effect. Work on civil society was also dropped very early on in the programme, and had this been picked up again later on when the security situation permitted, this may have had complementary and sustainable progress in better holding the Governor and PC to account. Although resources were tight and priorities had to be made, hindsight may tell us that a different or broader focus should have been adopted.

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- The legacy of GCBP in Maysan, Muthanna and Dhi Qar is even harder to measure than in Basra. The withdrawal of the three PAAs in those provinces in 2006, with no or minimal handover to other donors, meant that a lot of the good work they had done was not sustained. While some have commented on the relative maturity of the PDS and budgetary processes in those provinces, as possible evidence of the legacy of GCBP, the absence of a proper transition process makes these linkages very thin.

If one were to approach this from a purely Value for Money angle, then the resources and effort put into GCBP do not come close to achieving the level of impact one might expect in a more benign environment. But given the considerable security constraints, and limited resources, GCBP has played a positive role in building the capacity of Basra's leadership.

## 4.2 Assessment of progress against latest logframe objectives (April 2007)

<u>Objectives/Activities</u>	<u>Objective Verifiable Indicators</u>	Assessment of progress against objectives and activities
Improved understanding of roles and responsibilities in local government	An agreed local government structure	Objective unclear. GCBP has contributed to establishing more structured working practices between the PC and the technical directorates through Sector Working Groups. Some advice and mentoring provided by GCBP to support the provincial and some of the district PCs' efforts to undertake its responsibilities in particular with regards to planning and budget execution.
Improving the process of procurement of services	Procurement guidelines developed	This objective should have been linked to the development of procurement guidance and other efforts undertaken by the Ministry of Planning and Development Cooperation with support from the World Bank. GCBP provided advice on procurement to facilitate the budget execution process but no guidelines were developed.
Improving the execution, monitoring and reporting of budget	Quarterly expenditure reports submitted to centre	Progress has been made on budget execution (in 2006 the Basra authorities spent 30 billion dinars, in 2007 they have spent 210 billion in eleven months). Monitoring and reporting has improved, but systems still lack transparency and clear measures to prevent corruption.
Ensuring that the Basra Development Forum meets quarterly.	Basra Development Forum meets at least twice more in 2007.	The Basra Development Forum met once more (end of 2007).
Establish and support Iraqi institutions in facilitating enterprise development	Basra Development Agency established Report on Planning for Special Economic Zones submitted to	This objective should have been revised following the implementation of the PM's economic initiatives. The Basra Development Agency was not established as such. Instead, GCBP was

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	the Basra Development Agency Economic Baseline Survey undertaken	chosen as the delivery mechanism to implement new economic initiatives by establishing three bodies – a Basra Development Commission (BDC) - co-chaired by Michael Wareing (CEO of KPMG International) at the Prime Minister's request – and underpinned by the Basra Development Fund (BDF) and Basra Investment and Promotion Agency (BIPA).  Economic Baselines Survey – this was actually undertaken by RTI in collaboration with the PRT and completed in April 2008.
Improve the availability of credit to enterprises	Basra Business Development Fund established with Iraqi resources Basra Bankers Forum study tour undertaken	Basra Business Development Fund not established. Significant efforts were undertaken to set up such a structure in co-operation with an Iraqi bank, but this idea was abandoned in August (due to Gol change in policy).
Improve the environment to trade with Kuwait	Two Iraqi – Kuwaiti Conference on removing Trade Barriers An agreed action plan on removing trade barriers between Iraq and Kuwait	No conferences were held as required much higher-level political engagement and bilateral talks between Iraq and Kuwait. FCO led this process and an action plan was agreed, which included setting-up a working group on Kuwait-Iraq ties. No meeting had taken place by the end of GCBP.
Ensure continuation of the work by the UN	UN programme starts by the end of the year	UNDP programme started in January 2008 and is scheduled to run until 2011, covering budget execution as well as support to district councils through UNOPS.

## 5. Key Lessons and recommendations

This section draws key lessons, both positive and negative, from the GCBP experience. But the extremely challenging political and security difficulties should not be under-estimated. As such, the recommendations below are a reflection not only of what should be done differently next time, but also what worked and should be repeated next time. These might apply to DFID's ongoing efforts in Iraq but also to other similar programmes in unstable environments.

### 5.1 Programme design and evolution

#### 5.1.1 Focus and approach

GCBP was designed in light of DFID's comparative advantage and on the basis of best practice - a technical assistance programme focused on building provincial government capacity to spend resources in an effective manner and in response to

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local needs whilst developing the private sector which would ensure sustained economic development of the provinces.

The focus was originally on both the PC and the technical directorates. An alternative approach given the limited resources and the state of the provinces - Basra in particular - could have been to focus on a small number of key technical directorates to improve service delivery. It could also be argued that GCBP should have included a more robust accountability component as part of a longer-term anti-corruption strategy. However, there is insufficient evidence and data to assess whether these approaches could have worked and would have been more successful. A strong stance on including better accountability procedures might have led to political difficulties, hindering a technical strategy aimed at reforming government in an already highly-politicised environment. Focusing on a few technical directorates as opposed to the PC could possibly have led to a less coherent provincial government effort and would have been more difficult to link with DFID's efforts with the centre of Government in Baghdad.

Four years on, the four southern provinces still vary significantly: differing levels of capacity and security and differing political and economic contexts. However, GCBP's design was uniform, seeking to adopt the same comprehensive approach across all four provinces but with greater resources for Basra, and failing to adopt an adequate and realistic context-specific approach.

GCBP recognised early on the critical need to ensure provincial-national links by embedding a public financial management in the Baghdad team. GCBP continued these efforts informally until the implementation of DFID's revised programme of technical support to Iraq.

GCBP ended up being a relatively flexible programme and demonstrated its capacity to respond to security difficulties and political priorities. The GDF ended up being a crucial element of this flexibility, enabling people on the ground to make quick funding decisions. But this approach was never explicitly built in to the original programme documents. When initially conceived, the GDF was an innovative tool to incentivise government officials to apply new skills and to fund small-scale external projects which would support the three workstrands. It was never envisaged as a support fund for GCBP activities such as out-of-country training workshops, which is what it resulted in from 2006 onwards. The implementation of GCBP through a consultancy contract also provided the flexibility of adjusting staffing inputs as and when needed.

**Recommendation 1 - Programme design and inception need to be context-specific, or at least include mechanisms for the implementation to be explicitly linked to the context.**

**Recommendation 2 - Flexible funding and staffing arrangements are an essential element to ensure continued programme delivery in difficult environments and should be factored in to programme design.**

**Recommendation 3 - Early recognition that reform assistance in the provinces needs to be linked to central institutions and wider efforts.**

#### *5.1.2 Objectives*

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As with other similar programmes in Iraq, the initial objectives of the GCBP were very ambitious in terms of breadth, depth and timeframes - too ambitious in light of the political situation and the increasing security risks. GCBP was designed with a relatively positive prognosis in mind. Admittedly a difficult exercise, DFID/HMG failed to ground the programme in a robust political understanding of the context and failed to anticipate what would become one of HMG's most difficult and dangerous operating environments (HMG undertook a Strategic Conflict Assessment in 2005, a year later after GCBP was initiated). Specifically, and in particular on the civil society and private sector development workstrands, it assumed a relatively permissive security environment and a regular degree of access to Iraqi counterparts which would have enabled implementation and monitoring of GDF projects. This was reviewed over the course of several reviews which gradually scaled down the programme's objectives but most likely resulted in unsustainable activities due to lack of sufficient follow-up and possibly raised expectations with counterparts.

It should also be noted that with the stated GCBP objectives, DFID was embarking on a long-term effort despite the absence of a medium to long-term combined UK strategy and a firm DFID senior management commitment. This was probably unavoidable at the time, but left DFID's reputation significantly exposed.

**Recommendation 4 - DFID/HMG should make better use of existing tools such as Strategic Conflict Assessments and Scenario Planning methodologies to ensure realistic objectives and assumptions.**

#### **5.1.3 Consultation**

Despite the fact that GCBP was envisaged as a catalyst to help the Iraqi Government spend national but also international resources more effectively, the original programme documents did not include any objectives on co-ordination, neither with existing or potential future donors nor with the military. This was left to be clarified in theatre following initial programme implementation. As with the overall programme objectives, this was subsequently revised, and GCBP staff expanded significant efforts engaging with other donors, in particular the UN. But the absence of an early framework recognising the role of others, the UK military in particular, meant that co-ordination would be taking place at the working level as opposed to being part of a strategic HMG effort.

**Recommendation 5 - Consultation with other stakeholders should take place prior to programme design and include a clear framework with objectives for ongoing and future co-ordination.**

#### **5.1.4 Exit strategies and sustainability issues**

As mentioned above, GCBP was designed with ambitious objectives. Drawdown from the provinces and the narrowing of priorities were not initially due to take place until such time as the objectives would be achieved. The programme and its management were flexible enough to react and adapt relatively well to changing circumstances. But it lacked clear contingency plans, exit strategies or exit points based on programmatic activities and evidence of progress. DFID/GCBP quickly identified the UN taking over as the one exit strategy and focused efforts on facilitating their establishment and later on their re-deployment. This had some degree of success in Basra, but failed in the other provinces due to lack of substantial UN engagement. In the outlying provinces of Dhi Qar, Maysan and Muthanna, assessing the legacy of GCBP and its sustainability was near impossible

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No handovers took place between DFID/GCBP and the emerging PRTs. Despite efforts to continue to engage the PC members through out-of-country workshops, these activities were not adequately integrated into the PRT's plans and therefore missed opportunities to facilitate a more gradual and sustainable UK drawdown. Another option could have been for GCBP to train local staff from the start so that they could then mentor counterparts whilst having direct reachback and technical support from Basra.

Similarly, work on civil society development and on the early stages of private sector development were discontinued without any clear plan. On civil society in particular, one of the justifications for terminating GCBP input was because of other existing international support. But there is no evidence to suggest that any of the initial activities were transferred to other donors to ensure their continuation.

**Recommendation 6 - Programme design should give full consideration to developing an 'exit strategy', and be proactive in identifying and encouraging other donors with which to coordinate and transition work.**

## 5.2 Programme management

Adherence to the correct programme management procedures throughout the life of the GCBP was patchy, and at times weak or non-existent. This is a result of a number of factors, not least the transfer of GCBP into the PRT in July 2006, as well as often a lack of clarity over who (Coffey, DFID or the PRT) was responsible for GCBP.

As a result, there is a dearth of adequate paperwork for GCBP, for example:

- The last logframe for GCBP was produced in April 2007. At the very minimum, a new logframe should have been produced when the Prime Minister's economic initiatives were incorporated into GCBP in late 2007. Without that, GCBP's final assessment will be against a logframe which is 18 months out of date.
- Monitoring and evaluation by DFID was sporadic. Only 2 monitoring visits by Governance Advisers took place throughout the life of the programme. This was in large part due to the security situation, but as a consequence, there was an over-reliance on consultants to assess and report on their own progress.
- When the GCBP was folded into the PRT in July 2006, GCBP reports (other than a few bullet points through the PRT's weekly reports) ceased. Reporting was rolled into PRT reports, with a consequent blurring of lines between GCBP and non-GCBP work. Coffey also took a more hands off approach during this period as DfID London exerted more control over GCBP, and there was confusion over who precisely was responsible for what.
- When the PAAs were withdrawn from the other three provinces in 2006, there were no comprehensive transition plans to ensure that work was continued by other donors/PRTs. As a result, a great deal of effort was wasted, and what little legacy there may be from GCBP outside of Basra has not been properly accounted for. This might have been addressed had transition planning been built into the programme design (see above).
- GCBP project documentation contains very little on risk management or contingency plans. This was clearly an environment where risks were high, notably due to the security situation. Had these risks been properly managed, with associated contingency plans drawn up, then GCBP may have

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benefited from more strategic management, as opposed to simply evolving according to the situation on the ground and to the priorities accorded by the consultants delivering the work.

- This review has also highlighted the absence of clear evidence on what GCBP has achieved, and this is in large part due to poor collection of data in Basra, and absence of regular communication of that data back to DfID London. A communication plan setting out the process for this would have been beneficial.
- Lastly, there was an absence of workplans for the GCBP team. Such workplans should have served to tie in the work of individual consultants more closely to the overarching objectives of GCBP, rather than allowing consultants to set their own priorities.

It is worth pointing out that there may arguably have been some benefits from the lack of robust programme management of GCBP. Many of the consultants working on the programme had been in Basra a long time, providing a continuity unmatched by civilian or military colleagues, and had built up strong local relationships and knowledge. That often put them in a better position to understand and respond flexibly to local needs. Had they been more subject to priorities set from London, they may not have had the freedom to respond as they did. Furthermore, the fact that the consultants consistently pushed the same messages over a long period probably gave them better traction with locals than if they had had to frequently change track to respond to new politically-motivated initiatives. Notwithstanding these benefits however, there should have been a better balance between robust programme management and local flexibility.

**Recommendation 7 - In difficult environments in particular, logframes should be reviewed and updated on a regular basis (twice a year), or more frequently if events dictate. Individual workplans should be produced and updated in line with changes to the logframe. Significant changes to the objectives and approach of the programme might also warrant closing the programme and starting a new one.**

**Recommendation 8 - A comprehensive risk management plan should form part of programme documentation, with clear contingency plans in place, particularly in highly unstable environments such as Iraq.**

**Recommendation 9 - Robust programme monitoring is crucial in an unstable environment. Standard DFID guidance should be applied to logframes and progress indicators. In the absence of concrete identifiable indicators due to the operating environment, some alternative form of assessment should be adopted to monitor progress (such as joint reviews with PRT partners or use of local staff).**

**Recommendation 10 - A communication plan should form part of programme documentation, to ensure regular and organised collection and dissemination of information on progress.**

## 5.3 Donor coordination

The GCBP has a patchy record when it comes to coordination with others. On one level, the GCBP team made a concerted effort from the very beginning to bring the UN into its work, to provide legitimacy, to lead donor coordination, and to provide an exit strategy. It succeeded early on in getting UNAMI to lead donor coordination, and

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then later with UNDP who have been working very closely to align their approach with GCBP. Basra PRT is unique in enjoying such a close relationship with UNDP. This is clearly a positive model for future programmes.

However, coordination with USAID and RTI was more problematic. This is at least partly a result of USAID's approach to development in general and Iraq specifically, with many large nationally run programmes which do not necessarily tie in with local requirements, nor with other donors. However, RTI's approach of using local Iraqis to deliver many of their projects is something which GCBP could have exploited and learned from. If GCBP had tied in better to RTI's work, it could have benefited from that local knowledge. Equally, if GCBP had chosen to employ some local Iraqis, that would have counteracted the security constraints to some extent. More could have been done to tie in with USAID/RTI work.

The record of coordination with the military was also poor. While the difficulties and different approaches have been acknowledged above, GCBP could have done more to tie in military projects to the sustainable processes it was working on, through better formal and informal liaison. Military projects may have had a more sustained effect, been better delivered, or served to better reinforce emerging processes, had stronger relationships been established. The rather purist approach of GCBP consultants was often a barrier to this coordination. While such coordination often comes down to personality, perhaps the design of GCBP missed an opportunity to embed proper coordination mechanisms with military counterparts.

**Recommendation 11 - A proper mechanism, such as a weekly working group, to ensure coordination with other key donors should be established early on in the programme, with clear and agreed terms of reference.** In a joint civ-mil environment, solutions such as seconding someone to/from J9 should be considered. Such coordination should not be allowed to rely on informal relationships.

## 5.4 Leadership

### 5.4.1 DFID leadership

A key finding of this review has been the lack of DFID strategic guidance and engagement on the programme. The combination of a difficult operating environment and DFID senior management views on the need to scale back resulted in tight headcount and high staff turnover. In addition, at no point was there one lead person on the programme. The Senior Programme Manager and Governance Adviser were based in London, but GCBP was also reporting to the DFID Representative in Basra and as a result was also overseen by the DFID Baghdad office. In Basra, the DFID representatives adopted a hands-off approach with DFID London managing the Coffey/Enterplan contract but with little ground knowledge.

Consultants became the institutional continuity and memory and led the identification and prioritisation of Iraqi provincial government capacity-building needs. As a result of this, DFID lost its ability and capacity to lead the programme, challenge its approach and direction and critically assess its technical delivery.

**Recommendation 12 - Implementing technical assistance programmes in unstable environments through a consultancy contract requires adequate HMG staffing to maintain strategic management and leadership**

### 5.4.2 PRT ownership

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These complicated leadership and management arrangements became even more confusing when GCBP was transitioned to the PRT. Notwithstanding the PRT's own complicated chain of command (initially led by PCRU under overall FCO policy direction), GCBP ended up working to PRT objectives as well as to DFID logframes. There was a lack of clarity at this time over who - the PRT, DFID or Coffey - was responsible for which aspects of the programme, although DFID as the spending department remained financially accountable for its overall delivery. PRT management, on the other hand, were left with a programme which they were monitoring the delivery of, but that they didn't clearly own and with little actual managerial responsibility and accountability for its delivery.

**Recommendation 13 - Reporting lines need to be agreed from the outset with clear responsibilities for delivery and accountability, which should enable greater strategic management. DFID should avoid separating financial and programmatic accountability or ensure it is clarified by clear documentation such as a memorandum of understanding.**

### **5.5 Adaptation to changes in UK Strategy**

While it is unfair to criticise GCBP for something over which it had no control, it is worth pointing out that the lack of an HMG strategy for Iraq did have a negative impact on GCBP. GCBP was left to plan and prioritise in a policy vacuum, while government departments debated our future role in Iraq. The result was a short-termist approach to DFID's work in Iraq, with an ongoing assumption that GCBP would probably only endure for a further six months. This made it very difficult for GCBP to plan ahead or to consider taking on new initiatives. The Prime Minister's announcement of economic initiatives for Basra in Autumn 2007 was the first commitment to a slightly longer term focus for GCBP, although that too was designed to facilitate an exit strategy. GCBP did well to respond at that time to a shift in focus towards economic development. This was partly a function of the flexibility of the Coffey contract, enabling consultants to be moved around quickly, and a reachback facility to expertise in Coffey HQ.

**Recommendation 14 - Programme objectives should be linked in to departmental and HMG policies where possible, and should be flexible enough to adapt quickly to changing political priorities.**

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## ANNEX A – CHRONOLOGY

Date	GCBP detail	Key events	Key progress indicators
<b>2004</b>			
July 2004	Programme Memorandum Approved		
September 2004	Contract Awarded to Enterplan/Coffey (until March 06)		
Sept-Nov 2004	PA, PSD and SD Advisers deployed to Basra		
<b>2005</b>			
Feb to March 05	PAAs deployed to Maysan, Muthanna and Dhi Qar		
March 05	DFID approves GCBP workstrands		Initial engagement with UNDP & UNOPS Set-up of the Southern Iraq Donor Group, chaired by UNAMI
April 05	PSD Advisers deployed to Maysan and Dhi Qar (Muthanna position cancelled following May OPR)		
May 2005	DFID OPR – cut down private sector development and civil society work	DFID budget review – funds cut (GDF cut to £2 million) Labour Markets projects cancelled??	
June 2005		UNAMI redeploy to Iraq	
July 2005	Revised logframe approved by DFID		
September 2005		FoM starts being severely hindered	
October 2005		MND-SE set up Governance Sector Reform teams	
November 05	DFID OPR – refocus on public sector development and terminate civil society work		
<b>2006</b>			
Early 2006			
March 06		PRTs set up in Basra, Maysan, Muthanna and Dhi Qar	
June 06	PAA resigns in Dhi Qar		PDS developed in all four provinces - Provincial Resource Statement produced in Basra
June-July 06		Better Basra Plan	
July 06	PAA position terminated in Muthanna	Muthanna PIC transition	
	PAA position terminated in Maysan	Maysan PIC transition	
July 06	Transition of GCBP to PRT		
September 06		Dhi Qar PIC transition	
<b>2007</b>			
April – May 2007	DFID OPR and revised logframe		
November 2007		PM's new economic initiatives	

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December 2007		Basra PIC transition	
<b>2008</b>			
January 2008			Start of UN Basra Budget Execution Support Project
June 2008	End of GCBP – Transition to TSI		

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**ANNEX B – BIBLIOGRAPHY**

Iraqi Documents

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Reconstruction & Development for 2007, PRDC

GCBP Documents (Coffey/Enterplan)

GCBP Inception Report, June 2004  
Governorates Development Fund – Operational Guidelines and Criteria, July 2006

*GCBP Seminar Documentation & Reports (March 2006 to June 2008)*  
(Strategic Planning, Budget Preparation, Provincial Resource Management, Institutional Capacity-Building, Provincial Development Strategy, District/Sub-District Governance, Sub-Provincial Planning)

*GCBP Discussion Papers (December 2005 to February 2008)*

Strategic Framework Issues  
Operating Procedures Guide and Proposal Template  
Development Planning and Approval Framework  
Implementing the Provincial Development Strategy  
Provincial Resource Statement  
Annual Budget Cycle  
Provincial Progress Development Report  
Basra Economic Support Fund – Approval Process  
Assisted Spending Strategy  
Toward a Modern Administration  
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Revised Logframe, April 2007  
Delivering the PM's Economic Initiatives in Basra, September 2007

## PRT Documents

2003-2006 PRT Progress Report Submission to the Basra Provincial Council, June 2007  
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Dhi Qar Governorate Assessment Report, UNHCR, October 2006  
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ASI Programme (ERP/SCOG) Review, PWC, June 2008  
Review of the Basra PRT, Stabilisation Unit, September 2008

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**ANNEX C – LIST OF INTERVIEWEES**

**Basra**

Dr Ghali, Chairman of the Provincial Reconstruction & Development Committee (PRDC)  
Khalaf Schmamub Bostan, Deputy Chairman of Provincial Council (rural areas)  
Engineer Abbas Taher, Secretary of PRDC  
Mr Jalal, Deputy Chairman of PRDC  
Nigel Haywood, Consul General, Basra  
Keith MacKiggan, PRT Head  
Mark Bocchetti, US State, D/ Head PRT  
Rave Aulakh, USAID representative, PRT  
RTI  
UNDP  
D/Head CMOC / J9  
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Projects Manager, PRT Economics Team, Coffey  
Youth Unemployment, PRT Economics Team, Coffey  
Basra Economic Development Strategy Adviser, Coffey

**Tallil**

Anna Prouse, Head of Dhi Qar PRT  
Keith Heffern, Deputy Team Leader, Dhi Qar PRT  
Rick Schroder, USAID Representative, Dhi Qar PRT  
Dan Foote, Head of Maysan PRT  
Alex Bennett, Governance Adviser, Muthanna PRT  
Mr Zaid, former GCBP Programme Officer – Muthanna, and Governance Officer, Muthanna PRT

**London**

Donal Brown, Deputy Director – Iraq  
Senior Programme Manager, DFID  
Programme Officer, DFID  
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Barb Hendrie, former Deputy Director – Iraq and Head of DFID Iraq  
Mark Etherington, former PRT Head  
Rob Tinline, former PRT Head  
Kathleen Richmond, former DFID Representative – Basra  
former DFID Social Development Field Manager – Basra  
former Economic Adviser, DFID  
former Senior Governance Adviser, DFID  
former Programme Manager, DFID  
Managing Director, Coffey UK  
former GCBP Adviser, Coffey  
Sinead Magill, Manager, Coffey UK  
former Public Administration Adviser – Muthanna, Coffey  
Ole Jepsen, former Agricultural Adviser & Economic Development Team Leader (Danish adviser), Basra PRT

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## ANNEX D: TERMS OF REFERENCE

### IRAQ: Governorates Capacity Building Programme Project Completion Review

#### Introduction

1. The aim of this consultancy is to conduct a review of the Department of International Development (DFID) funded capacity building programme in the southern Iraq – the Governorates Capacity Building Programme (GCBP) which ran from August 2004 to June 2008. A new capacity building programme, Technical Support to Iraq is now in place, bringing together DFID's capacity building programmes in Baghdad and Basra, and began on the 1 July 2008.
2. Since August 2004, DFID has been supporting the GCBP for the four southern provinces of Iraq. GCBP was originally expected to run for just two years, but was twice extended and ran until June 2008. It aimed to assist the four southern Governorates – Basra, Dhi Qar, al-Muthanna and Maysan – to manage the reconstruction effort effectively and to reduce poverty through local economic development.
3. The stated goal of GCBP was "poverty reduction in southern Iraq through economic development" and the purpose was "southern governorates use available resources to ensure economic development is effective, sustainable and inclusive". It was intended to achieve these objectives through three main "strategies":
  - Public sector capacity building
  - Private sector development through SME capacity building and small enterprise development; and
  - Strengthening civil society-local government links and centre-regional links
4. The programme was originally for £20.5 million over two years and included £14.5 million for a Governance Development Fund (GDF). The overall budget was later increased to £25 million, £9 m for programme, and a reduction of £3.3m for the GDF and £15.7 for life support costs. The Programme Memorandum originally stated that more than half of the approved budget - £ 14.5 million – constituted a "Governorates Development Fund" - a flexible fund designed to support small projects that promoted improvements in overall governance and "facilitated achievement of the projects outputs". This fund was intended to be "as flexible as possible" and to be used to support short term projects – the maximum duration of individual projects being one year. As stated in the Programme Memorandum (page 8), this fund would amount to £150,000 per month for each of the four Governorates over two years. The value of the fund was dramatically reduced over the life time of the programme and its purpose became more fluid in supporting the programmes activities.

The programme was transferred to the UK Provincial Reconstruction Team (PRT) in Basra in mid-2006 to rationalise the DFID support to the UK lead PRT. Since October 2007 the programmes core focus has been to support the economic initiatives identified to develop Basra's economy.
5. Through the GCBP we have provided support to the Basra Provincial Council to produce its first Provincial Development Strategy in Iraq, alongside Dhi Qar, Al Muthanna and Najaf Provinces which has enabled the BPC and the neighbouring provinces to access greater funds from central government. The programme has also succeeded in bringing in UNDP who now provide increased technical expertise to the GoI, allowing the GCBP to shift its efforts to the development of Basra's economy where it has a comparative advantage. The activities and outputs have changed dramatically over the lifetime of the programme as it has attempted to respond to the domestic UK political environment.
6. The context within which GCBP was expected to deliver this assistance was exceptionally challenging and unstable. The security situation posed enormous political and logistical

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challenges. Insecurity made it very difficult to travel around the region, and also meant that parts of the provinces were not effectively governed by the local authorities. Moreover the structures of local government were far from fully established at the outset of the project and to some extent remain so. Local elections were held only in January 2005 and thereafter the roles and responsibilities of different parts of government were only gradually established. The next set of provincial elections has been overdue for at least 12 months.

- 7 In light of experience and in response to changes in the environment, and HMG policy in Iraq, GCBP was radically adapted and revised over time. Some of these changes were captured in revised logframes, produced in July 2005 and again in 2007. Some of the key changes were as follows:
- a) Over time the programme came to emphasise capacity building / governance elements more than the private sector development or civil society elements, though in 2007 there was a renewed emphasis on private sector development through the Prime Minister's economic initiatives.
  - b) The original intention was to focus on all four Governorates, for example with a three person team of "technical advisers" in each of the four Governorates (page 9 of the PM). As the provinces reached Provincial Iraq Control (PIC) and military bases closed the work would be brought to an end. And by July 2007 the programme would focus almost exclusively on Basra.
  - c) The impact of security, including 'lock downs' on the programme.
  - d) The merger of the GCBP programme into the Provincial Reconstruction Teams (PRTs) during 2006.

**Objective of the Consultancy**

8. To assess the performance of GCBP and assess progress against the project objectives. The review should include a synopsis and chronology of how GCBP evolved over time. It should also assess the most important issues which arose in managing GCBP, including (but not limited to):
- a) Evaluation of progress against the original and revised programme outputs. Whether the project was adapted in a sensible manner to take account of changing circumstances and experience;
  - b) Whether the Governorates Development Fund was an effective mechanism for promoting the project goals in the Iraqi context.
  - c) What has been the legacy of the project in the provinces in which DFID is no longer working?
  - d) How much the security situation has prevented the programme achieving its objectives, and whether DFID has responded effectively to the security challenges?
  - e) Whether on-going monitoring and evaluation of programme could have been improved.
  - f) How effectively the GCBP work cooperated with other coalition and donor organisations, and the extent to which effective donor coordination was possible in this context

**Outputs**

9. A main report of up to 40 pages, plus annexes if required, including (but not limited to):

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- a) Summary of impact
- b) Chronology of how GCBP programme evolved (2 pages)
- c) Summary of lessons learned, focusing on capacity building in conflict states
- d) Key recommendations

10 Annexes should include a list of documents and individuals consulted

11 A presentation to DFID of key findings

## **Inputs**

12 A team of two including economics and governance expertise, as well as Iraq experience

13 The team will be required to travel to Basra and other southern Provinces to consult with relevant individuals. A programme will be set up to facilitate this

## **Time-frame and interviews**

14 The consultancy will be for a period of 40 working days (to be divided between two persons) including the visit to Basra. The final report is to be submitted, and presentation delivered, by end-October 2008

### **DFID/HMG staff**

Kathleen Richmond, Head of Basra

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Programme Manager

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Head of PRT

Former GCBP Programme Manager

Former GCBP Governance Adviser

Nigel Haywood, Counsul General

Tim Foy, Stabilisation Unit, former acting Team Leader Basra PRT (former head of DFID Baghdad)

Robert Tinline former Team Leader Basra PRT

Daniel Korski former Team Leader Basra PRT

### **Coffey Development International team**

Project Director, UK based

Sinead Magill, Project Manager, Basra – UK based

Team leader, Governance Adviser, Basra

Financial Management Adviser, Basra

Technical director, UK

### **Government of Iraq**

Basra Provincial Council representative

Maysan Province

Dhi Quar

Al Muthanna

### **Other donors/multilaterals**

USAID

UNDP

UNOPS (funded through GDF to do sub-provincial work)

Head of PRT's in Maysan, Dhi Quar and Muthanna

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