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Governance Strengthening Project (GSP)

Quarterly Performance Report (Y1Q2)
January 1, 2012 – March 31, 2012

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Introduction

On September 29, 2011, USAID awarded the Iraq Governance Strengthening Project (GSP) to Chemonics International and its consortium of partners. The four-year, \$92.5 million project builds on past and current USAID efforts to strengthen the capacity of local governments to respond effectively to citizen needs. Iraq GSP will contribute to current decentralization efforts being implemented under other projects such as USAID's Tarabot. GSP will work to empower local governments; building their institutional capacity to improve management, government outreach, and service delivery. Concurrently, the project will strengthen executive oversight to promote accountability.

GSP is comprised of three components, as follows:

- **Component 1: *Law Reform*** – Legal and regulatory decentralization reforms clarify the authorities and responsibilities of provincial and local governments.
- **Component 2: *Institutional Strengthening*** – Targeted provincial and local governments institutionalize core authorities and responsibilities.
- **Component 3: *Executive Oversight*** – Targeted provincial and local elected officials hold executive ministries accountable for improved services.

Component 1 focuses on central level government whereas Components 2 and 3 focus on activities at the provincial level.

Pursuant to Section F.7 (A) of contract AID-267-C-11-00006, the contractor is required to submit a USAID quarterly performance and financial reports regarding GSP activities. The following performance report will summarize results and progress for the period of January 1, 2012 to March 31, 2012 and outline anticipated project activities for the next quarter. A separate report addresses the quarterly financial performance.

Note: On April 17, 2012, USAID issued a revision to Section C of the prime contract. Future quarterly reports will reflect the new component structures.

Accomplishments this Quarter

In its second quarter, GSP focused its efforts on strengthening relationships with key players in the Iraqi central government and rolling out the project to provincial governments. These efforts built upon the first quarter accomplishments of completing necessary start-up activities, coordination with USAID and the Tarabot project, and the introduction of the project to key Iraqi counterparts. The second quarter accomplishments were supported by an increase in staff and the operationalization of additional GSP offices.

Stakeholder Engagement

The GSP team actively sought to engage stakeholders at all levels, building widespread support for project interventions throughout the Iraqi government. GSP representatives have engaged officials within the central government, as well as in the provincial councils (PCs) and governors' offices (GOs), and from relevant local institutions. Building on linkages established last quarter with key decision makers at the highest levels of government, GSP continued to garner support for the project from central government, relevant national ministries, provincial governments, and local institutions.

Central Government. This quarter GSP garnered the support of Dr. Ali Al-Alaq, Secretary General of the Iraqi Council of Ministers (COMSEC). Dr. Al-Alaq welcomed GSP, indicating that the timing of the project was in sync with the needs of the Iraqi government and that he would ensure cooperation at the provincial level. GSP also solidified its relationship with the Minister of Provincial Affairs, Dr. Torhan Al-Mufti, a key player whose support is necessary to gain access to the provinces. GSP has also cultivated a relationship with the Shoura Council. The council is an influential body of judges within the Ministry of Justice whose role is to review and approve draft laws and to resolve disputes among government bodies of the interpretation of existing laws. Members of the Shoura Council provided insight to GSP on issues related to lack of clarity in Law 21 and its amendments.

GSP met with Dr. Abdulhusain Al-Anbaky, Economic Advisor to the Prime Minister, to discuss areas of GSP support, including financial and budgeting training and planning. Dr. Al-Anbaky had completed a review of mechanisms of distribution of oil revenues by the central government to local governments and invited GSP staff to attend a forum on this topic, which he conducted March 10, 2012. A member of the GSP team attended the forum which resulted in a better understanding of the budgeting process, particularly distribution of funds to the individual provinces. Dr. Al-Anbaky discussed a number of areas where there law is unclear on how funds should be distributed and how this hinders the ability of the government to properly allocate funds. This information is useful for GSP as it works with the ministries and provinces to build capacity in budgeting and planning.

In fact, a significant portion of GSP's interventions will include developing capacity in the areas of budgeting and planning, therefore cooperation and collaboration with the Ministry of Finance and Ministry of Planning are crucial to the success of GSP. This quarter, GSP met with and gained the support of a number of officials in the two ministries including:

- Dr. Anwar Buni, Director General, Ministry of Planning
- Mr. Mahdi Al-Alaaq, Deputy Minister for Administrative Issues, Ministry of Planning
- Ms. Majida Alukabi, Director of the Training Department, Ministry of Planning
- Mr. Mohanad Hussain, Budgeting Department Manager, Ministry of Finance
- Mrs. Tayf Sami, Budgeting Department Director, Ministry of Finance
- Mr. Atif Abdulhussein, General Manager of the Accounting and Financial Training Center, Ministry of Finance

GSP is working with the National Center for Management and Development Information Technology within the Ministry of Planning to create a mechanism of collaboration between GSP and the Ministry for curriculum development and training.

GSP representatives also met with Mr. Emad Nehad Mehdi, Deputy Manager of the Training and Knowledge Department, Ministry of Construction and Housing, to explore potential areas of cooperation with regard to training.

GSP coordinated with Ms. Mahdya Al-Husainy, Vice Chair of the CSOs Committee of the Baghdad PC, on a new effort to establish a network of Iraqi civil society organizations whose work is relevant to local government. The idea, proposed by GSP, was well-received by the CSO committee, and a search for appropriate CSOs immediately commenced. The committee provided GSP with a list of potential CSO candidates and a short-list is being created of CSOs that are best positioned to help

lead the effort. These efforts will help GSP identify potential grant recipients and partners for future activities.

Provincial Rollout. GSP met with officials at PCs and GOs in 11 of the 15 non-KRG provinces to provide a formal introduction to GSP, gain insight from stakeholders as to their priority needs, and to build support for the project. GSP rolled out to the following provinces:

- Baghdad
- Babil
- Diyala
- Najaf
- Salah ed Din
- Diwaniya
- Anbar
- Muthanna
- Maysan
- Karbala
- Wasit

GSP has been well-received in the provinces. Officials in the provincial councils and governors' offices were forthcoming with information about their needs and past experiences, and many offered office space and other logistical support for GSP staff working in the provinces. GSP made significant progress especially in Baghdad by gaining the support of the PC Chair, PC Vice Chair, Governor, and several Baghdad PC committees. In addition, GSP gained the support of the Essential Services Commission (ESC), a unit unique to the Baghdad province. The ESC specifically requested GSP support to improve its capacity for monitoring and oversight of essential services delivered by ministerial service departments within Baghdad. GSP will continue to support the ESC through training and coaching in oversight and monitoring.

Engaging Stakeholders

In Baghdad, GSP has gained the support of the Governor, PC Chair, Vice Chair, and multiple committees in the PC.

Additional committees within the Baghdad PC that are interested in working with GSP include the Economy and Finance Committee, Reconstruction and Development Committee, Project Committee, and Water Committee. Discussions with the Auditing and Monitoring Department and the Accounting Department quickly led to cooperative efforts in the reviewing and finalizing of relevant training material prepared by GSP. These discussions provided GSP with insights to current gaps and GSP has developed training material to support capacity building in budget execution and is also developing training materials on monitoring and oversight.

GSP's Acting Chief of Party and representatives met with the Governor of Baghdad to introduce GSP and to garner support for the project. The Governor praised the GSP initiative and indicated his willingness to cooperate, stressing the governorate's desire to improve employee performance and, ultimately, provide better services to its citizens. Within Baghdad's GO, GSP established contact and support for the project in the GO's Finance Department, Planning and Follow-Up Department, and Accounting Unit.

Local Institutions. GSP staff worked with several non-governmental organizations and educational institutions to introduce the project and to discuss potential areas for GSP support and/or

Developing Local Partnerships

GSP is working with universities in Baghdad and Hilla to develop curriculums for provincial level elected officials and appointed

coordination of efforts.

GSP is supporting Babil Univeristy by assisting with curriculum development and by providing trainers and training venues for the university's training of PC and GO officials and staff. GSP intends that these efforts will

complement the project’s current training program and will provide a sustainable resource for training local government officials.

GSP explored possible areas of cooperation with the Consulting and Engineering Bureau (CEB) at Baghdad University. The project will support the university in training provincial-level elected officials and appointed staff by assisting with curriculum development and provision of trainers.

GSP training specialists met with the Director of the Scientific and Engineering Consultant Bureau at the University of Technology and introduced him to the project, particularly to the training library initiative, referenced below, and discussed potential areas of collaboration. The Director agreed to provide a list of materials that the university can share with GSP for inclusion in the library. This list will provide a boost to GSP’s effort to determine what training is currently available and what needs to be developed.

GSP representatives met with the head of the National Organization for Local Councils Development and Aid (NOLCDA) to discuss NOLCDA’s work and to develop a plan for potential cooperation. The NGO was established in 2008 as an ersatz association for Neighborhood Advisory Councils (NACs) and District Advisory Councils (DACs). Although current members are all from Baghdad, the organization would like to generate membership interest from other provinces. GSP and NOLCDA are currently discussing possible avenues of cooperation and GSP support.

Event Participation. GSP participated in two conferences this quarter. The first, entitled “Sharing Best Practices of Local Councils and Networking Conference with Experts of the Network of Associations of Local Authorities in Southeast Europe (NALAS),” was held in Erbil February 25-26, 2012. The conference, hosted by the USAID-funded Iraqi Community Action Program (ICAP), provided an opportunity for Iraqi officials to learn from the experiences of NALAS members in local service delivery. Attendance included four members of the Council of Representatives, eight Baghdad PC members, members of district and sub-district councils, and a number of mayors and sub-district administrators. GSP staff benefitted from some of the lessons learned shared by NALAS, and was able to network with the participants.

GSP also participated in the Iraqi national conference on decentralization held February 27-28, 2012. The conference was sponsored by the Ministry of Provincial Affairs and entitled “Administrative Decentralization is the Best Way for Sustainability and Strengthening the Democracy.” Dr. Torhan Al-Mufti, Minister of Provincial Affairs, delivered the opening speech, emphasizing the importance of the conference and similar activities in developing a roadmap to the successful implementation of decentralization. Mr. Nouri Al-Maliki, Prime Minister, also delivered a speech in which he stressed that while there is a desire to strengthen local governments there should also be a strong central governments and that decentralization should implemented to strengthen, not divide, Iraq. On the second day of the conference, GSP led the discussion of one of four conference topics, International Decentralization Experiences, with a presentation by GSP consultant Dr. Jasim Qadhun, a law professor from Rafidian University in Baghdad.

Promoting Change

At the Iraqi national conference on decentralization, GSP led the discussion on international decentralization experiences.

Important Cross-Cutting Project Activities

Training. GSP conducted two regional trainings entitled “Annual Provincial Investment Budget Execution Process” this quarter. The first, conducted in Hilla March 18-20, 2012, presented Modules 1-3 of the five modules that comprise the program. The training was attended by 17 budgeting staff from PCs and GOs from Babil, Najaf, Diwaniya, and Karbala. The training was repeated March 25-26, also in Hilla, to accommodate eight budget staff from the Wassit and Najaf who were unable to

Budget Execution Training

GSP trained 25 budgeting staff from Babil, Najaf, Diwaniya, Karbala, and Wassit.

attend the initial training. Participants gave high praise for the training, citing the relevance and usefulness of the information presented, capabilities of the trainers, and the interactive approach used in the training. GSP will repeat the training in April for budgeting staff from PCs and GOs in Baghdad, Diyala, Salaheddin, and Anbar. Modules 4 and 5 will be offered at a later date.

Library. GSP collected training material from previous projects and other resources to be used as references for the development of future GSP trainings and for a training library. Materials in both Arabic and English were collected and catalogued. The library now has materials covering over 28 topics. GSP plans to continue the development of this library over the course of the project. GSP will use the library as a project resource to identify gaps in available materials and develop new training materials to address current needs. GSP will make the library materials available to project beneficiaries throughout implementation and is working to identify a public repository for the collected items upon closeout.

GSP developed a decentralization manual to be used by provincial staff. The manual is designed to be a practical guide for public officials, academics, and civil society organizations. The manual will help the reader understand and apply the principles of government decentralization as they affect existing government structures and the rules, regulations, and customary procedures concerning how they operate, particularly in the delivery of basic public services. The manual will allow GSP to quickly train incoming provincial staff on the subject matter.

Executive Oversight. GSP developed a matrix that will serve as a reference to compare the authorities and responsibilities of PCs and GOs with regard to monitoring and oversight of service delivery by the line ministries within each governorate. GSP will assist PCs and GOs in clarifying their respective roles and will solicit input to develop mechanisms for performance measurement.

Citizen Satisfaction Survey. GSP began implementation of the Citizen Satisfaction Survey (CSS) this quarter. The pre-test for the CSS in Baghdad was completed and survey teams were secured for the 15 provinces. The first surveyor training was originally scheduled to take place on March 23, 2012; however, this was postponed to the first week of April due severely restricted movement in and around Baghdad as a security precaution for the Arab League Summit.

GSP Staff Development. GSP’s Organizational Self-Assessment and Transformation Program (OSTP) Specialist conducted two internal training sessions for GSP staff; one in Baghdad and one in Hilla. The purpose of the training was to raise awareness and understanding of OSTP among project staff and to seek input on how best to craft OSTP messages to be delivered to governors’ offices (GOs).

Building Capacity

GSP staff were trained on the implementation of OSTP and worked to develop a plan for implementation within the GOs.

GSP is designing a specialized training program to be conducted for newly-hired provincial coordinators to provide them with a complete review of the GSP program, the OSTP approach, reporting, monitoring, and other relevant areas to their work. The training program will prepare them to better understand and execute their roles and responsibilities as they implement GSP activities in their respective provinces.

GSP staff received training on Chemonics' Standards of Business Conduct. The 90-minute training served as an introduction to Chemonics' business values and as a teambuilding exercise. It also covered how to identify conflicts of interest, and the process to ensure integrity in purchasing of goods and services. Relevant GSP staff also received training and mentoring support from the short-term procurement and recruitment specialists in procurement and in staff recruitment.

The G4S team conducted a half-day security training session for GSP's expatriate staff on January 28, 2012. The training provided an overview of the security and support role that G4S provides to the project, security measures in place for expatriate staff movements, standard procedures for various incidents, and actions to be taken in case of a medical emergency. GSP will coordinate with G4S to conduct such training on a regular basis to ensure that staff are properly trained and prepared in the event of an emergency.

Staffing and office space. As of the end of this reporting period, GSP had established four offices in Iraq in the following locations: Baghdad, Hillah, Basrah, and Erbil. The project had 11 expatriate staff and 26 national staff on board and intensive recruiting efforts continued; it is anticipated that 40 staff will join GSP early in the coming quarter.

Cross-cutting Items

Grants. The GSP Grants Director is working with staff on the identification of potential grant recipients, including NGOs, CSOs and universities. The project has a list of 240 NGOs and is collecting information to ensure that these organizations are registered, active, and involved in work relevant to GSP objectives. The Grants Director has also prepared material for internal training on the implementation of grants. Upon approval of the grants manual, requests for application will begin to be issued.

Subcontracts. Subcontracts are in place for ARD Tetra Tech, 4points, The Kaizen Company, and CHF International and security provider G4S. Subcontractors are identifying long-term staff persons where required.

Alliances/ Partnerships. GSP continues to coordinate with other partners and donors including the Tarabot, ICAP, and the UN. This includes coordinating on action plans, recruitment, and technical assistance.

Meetings, Trainings, Workshops. All meetings, trainings, and workshops organized or attended by GSP are included under Accomplishments, above.

Press Releases/ Public Outreach. GSP continues to maintain a phased approach on program communications. The Governor of Baghdad, Dr. Salah Abdul Razaq, issued a press release regarding GSP on March 16, 2012.

Operating Constraints

GSP continues to operate in an environment in which many constraints exist. The security situation creates restrictions on movement that make it difficult for expatriate staff to work directly with Iraqi officials. However, GSP has recruited highly experienced national staff with a long history of working with counterparts in the GOI and at various Iraqi organizations. GSP expatriate staff meet with Iraqi counterparts when movement is feasible and/or when meetings can be appropriately scheduled within the compound.

Challenges

In the first quarter, GSP realized that garnering support from some government officials would be a challenge based on the directives of varying political parties. GSP delivered a clear message to all counterparts that it is politically-neutral and that the project's mission is to support the development of local Iraqi government. GSP sought out the "path of least resistance" by seeking out appropriate contacts in the provincial councils and governors' offices and has made progress, but continues to find that some officials are still hesitant about working with a project implemented with US funds.

As a result of the high level officials coming to Baghdad for the Arab Summit, the GOI called for an "emergency local holiday" starting on March 21, 2012 and limited travel around Iraq. This prevented local personnel from coming to the offices through the end of the month. Additionally, government offices were closed, and private security vehicles were not allowed to operate. For GSP, this resulted in delaying the CSS Surveyor training and postponing visits to provinces.

Acting COP and DCOP had meetings scheduled with the Baghdad PC Chair and Governor February 23, 2012, which had to be postponed following VBIED explosions and a subsequent change in GSP movement status from Mission Essential to Mission Critical.

Activities for Next Quarter (April 1, 2012 to June 30, 2012)

In the coming quarter, GSP will complete its rollout to provinces. Pivotal to this effort will be a national conference, bringing together high-level representatives from provincial council and governors' offices from 15 provinces as well as the Council of Ministers Secretary General, the Minister of Provincial Affairs, and other central-government representatives. The conference will provide an opportunity for GSP to introduce the OSTP organizational development concept, and to discuss aspects of decentralization and Law 21 through panel discussions. Additionally, the conference will provide a public forum for the COMSEC and the State Ministry of Provincial Affairs to affirm the objectives and methodology of the GSP program.

Also during the quarter, GSP will complete its national survey of citizen perceptions of government services. This survey will inform discussions with provincial authorities as well as the design of the Municipal Capacity Index tool. Additionally, the survey will serve as an overarching indicator of GSP success. The quarter will also be used to finalize baseline data collection and to provide staff training on the project's monitoring and evaluation system.

GSP will introduce OSTP at the national conference and then, as part of the provincial rollout and Municipal Capacity Index, evaluate provincial the readiness for OSTP. GSP will select the office of

the governor in three provinces as the OSTP starting point. An additional six provinces will be added in the quarter following.

Component I: Institutional Strengthening. GSP will finalize recruitment of Provincial Coordinators to be embedded within provincial government offices to provide ongoing mentorship and support, and will also field Regional Coordinators and embedded Project Specialists. These field-based technical experts will provide ongoing mentorship and coaching in support of lessons and practices learned through GSP training. At least six Provincial Coordinators will be on boarded during the quarter.

GSP will conduct the training “Annual Provincial Investment Budget Execution Process” in Baghdad, Diyala, Salahaddin, and Anbar. The training builds upon Ministry of Finance materials to support the execution of ARDP expenditures.

GSP will continue to work with the Iraq Local Governance Association and other groups seeking to represent the needs of local government institutions to central government, and/or to provide services to local government institutions. One Baghdad-based organizations representing district and neighborhood advisory councils seems prepared to expand nationally, and the ILGA is showing interest in establishing a training service for local government representatives.

Working with Tarabot, GSP will explore progress made in establishing ministerial policy units and determine a course for establishing complementary policy units in the offices of provincial governors. The units will be used to establish and support agreed-upon objectives for essential service delivery areas, such as education, water, and electricity. Additionally, GSP will begin work on establishing citizen service desks within each province, and to develop a communications and outreach training plan for each province as well.

Component II: Executive Oversight. As part of the executive oversight component, GSP will work with provincial authorities map out current executive oversight practices and performance. GSP will also meet with executive representatives at the central and provincial level to discuss service oversight and monitoring activities and strategies for improving both using citizen satisfaction survey data, where possible to inform discussions.

GSP field teams will also work to introduce the topic of citizen service desks to provincial governments. The project will provide training and support to enable the installation of three desks during the quarter, and, as part of local government communications and outreach training, GSP will assist provincial authorities in developing a media campaign to make the public aware of the service desks.

Project management will work with implementers of the USAID-funded Community Action Program III this quarter to ensure that GSP is connected to the Community Action Groups (CAGs) formed under CAPIII. These CAGs will support service monitoring and participate in town hall meetings and other events aimed at improving local government communication with citizens.

Procurement Plan Update

Significant progress was made on procurement during this reporting period. The table below reflects significant solicitations for quarter 2 and anticipated solicitations for quarter 3.

Update on GSP Procurement Plan	
Procurement Activity	Achievements and Status
G4S Office Renovations	Significant progress has been made toward renovating several buildings for GSP's use in Baghdad.
Hillah renovations	GSP completed renovations on several villas in Hillah and has moved in to its permanent offices.
Computer software	GSP procured the following computer software in Q2: 15 MS Office Licenses, 5 MS Office Licenses, 29 Adobe Pro licenses
SMS system	GSP purchased 12 months of use of a SMS message sending system for security purposes.
Anticipated Major Procurements for Q3	
<ul style="list-style-type: none"> • G4S Office renovations completed. • Accommodations for conference at Sheraton Hotel in Baghdad. • Training space and materials for workshop for government finance employees. • Furniture, IT equipment, and renovations for Hub offices in Erbil and Basrah 	