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Iraq Local Governance Program – Phase III

**Quarterly Report
April - June 2009**

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Iraq Local Governance Program – Phase III (LGP III)

Quarterly Report, April - June 2009

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Abbreviations and Acronyms

ARDP	Accelerated Reconstruction and Development Program
CAP	Community Action Program
FMIS	Financial Management Information System
GAPTIS	Governorate Accounting and Project Tracking Information System
GIS	Geographic Information Systems
GOI	Government of Iraq
HCCP	High Commission for Coordinating among Provinces
ILGA	Iraqi Local Government Association
LGP III	Local Governance Program – Phase III
PC	Provincial Council
PPA	Provincial Powers Act
PRT	Provincial Reconstruction Team

I. Highlighted Activities by Province

Beginning with this Quarterly Report, we are dispensing with the regional categories that were devised, as a matter of convenience, by the Coalition Provisional Authority. Although LGP III itself maintains regional offices—also as a matter of convenience—our Iraqi-led teams are in fact working in each of the 14 provinces² covered by the 2008 Provincial Powers Act, or PPA. This alone is reason enough to report on activities at the provincial, not regional level. Another, more fundamental reason, is that Iraq has only one official region, that composed of the three semi-autonomous provinces under the authority of the Kurdistan Regional Government.

From our perspective, however, the most important reason to treat each province separately is that it frees us to more readily identify trends across all of the provinces. It would be too simplistic to attribute our success with the orientation sessions, for example, to this or that characteristic of a given region or of the LGP III team resident there. In fact, as the discussion under Work Element 1 suggests, whether or not there has been an appetite for our orientation sessions may instead be a function of the security situation in any given province.

If there is any reason to artificially aggregate and allot more space to certain provinces this quarter, it is to illustrate how well-received our advisory services have been in those provinces that have been newly added to our scope of work: Anbar, Ninawa, and Maysan. As summarized below, this quarter Ninawa became the first province to complete all eight LGP III orientation sessions with Provincial Council members there; and in Anbar and Salah ad Din, provinces known for their volatile security climate, our Iraqi team leaders, supported by an expatriate regional team leader, managed to establish offices, hire staffs, and initiate contact with provincial officials in a matter of weeks.

In Section II, we draw upon our experiences in each of the provinces to arrive at program-wide observations that, we believe, characterize our work this quarter. In the meantime, we offer snapshots of our activities by province.

Anbar

Anbar was a late addition to LGP III, yet we have managed to staff the team up very quickly and begin implementing the program of work. We have gone from zero employees in April to, as of this writing, a fully staffed team of seasoned subject matter experts for all Work Elements. Some of these advisors have just returned from exile in Syria to participate in the rebuilding of Anbar province.

After several meetings with the governor of Anbar, we were able to obtain an office for the team in the Governorate Building on the same floor as the governor. That office has since been furnished and set up with its own VSAT Internet connection.

² In three of these provinces—Dhi Qar, Diwaniyah, and Muthanna—the current LGP III contract calls for providing orientation sessions only. The remaining 11 provinces covered by the PPA are served by activities in all five LGP III Work Elements.

Since then, the Anbar team has delivered three orientation sessions to the Provincial Council (PC) and governor's office. The presentations generated significant questions and discussion between the PC members and the Anbar team and have created considerable interest in the LGP III program there. This is particularly notable because 27 of the 29 Anbar PC members, or roughly 93 percent, were new and so had not worked with LGP before. The remaining orientation sessions should be complete by the end of June.

Looking ahead, the Anbar team has also been actively assisting the PC and governor's offices with preparing for the upcoming budget year planning process. Much of this has involved setting up the mechanisms for gathering data on the current fiscal year's expenditures. To this end, the Anbar team facilitated Governorate Accounting and Project Tracking System (GAPTIS) training for 10 governor's office and PC staff members and installed GAPTIS-ready computers in their respective offices. The team is now advising on ways to proceed with data entry.

Similarly, the Anbar legal team is working intensively with the PC there to complete its bylaws. The team helped organize a bylaws development workshop in Karrada in late May that produced a draft bylaws document. Now the legal team is working with the PC on a daily basis to complete the document so that it can be reviewed and approved by a council vote.

"The PC has not been interested in getting training or advice from the PRT Governance section advisors. The PC tells them that they are getting the assistance they need or that they don't need PRT help. I suspect that the PC is working with the LGP III staff to get the information/advice they need, which I think is good."

- Anbar PRT representative

To contribute to greater coordination in the province, the LGP III expatriate team leader for Anbar visited the Provincial Reconstruction Team (PRT) there on June 13 and 14 and briefed the PRT team leader and its members on LGP III activities in the province. The team leader also had an opportunity to travel to the Government Center and met with the full Anbar team to review their activities implementing the program of work.

Babil

Done with its orientation sessions, the LGP III team in Babil has made strides toward more closely coordinating its efforts with those of other U.S. government actors in the province. On May 18, the Babil Provincial Reconstruction Team organized a workshop at which LGP III joined CAP and Tatweer representatives for an overview of the USAID governance program in Iraq. In addition to USAID representatives, more than 70 members of the Babil Provincial Council and governor's office actively participated in the session, the logistics for which were managed by LGP III.

"I would like to thank LGP III, CAP III, Tatweer, and everyone who participated in putting together a successful presentation on USAID governance programs to the Babil PC and governor's deputies yesterday. Special thanks to the LGP team for hosting the event and helping me with logistics."

- Babil Provincial Council Member

With its bylaws passed, the Babil PC is turning its attention to developing several committees meant to oversee the functions of the council and prepare for the upcoming budgeting cycle. The LGP III team in Babil is closely consulting with these committees to help ensure that the same standards for organizational efficiency and accountability apply to these committees and to the council at large.

Baghdad

Our Baghdad team continues to work closely with both the provincial government and the Amanat to do what no other LGP III team can currently do: assist in monitoring the delivery of public services. Unique to Baghdad, this activity is possible because the Amanat, unlike provincial governments in the rest of Iraq, is charged with delivering services to the capital's citizens (please see discussion in Section V).

What this has meant, in practice, is that our technical advisors have continued to participate in site visits to municipal service centers. Rather than oversee work at these sites, however, LGP III advisors have been assisting their Amanat counterparts in developing performance measures which can be tracked and therefore managed against.

In this way, our Baghdad team continues to generate practical lessons for managing the oversight of public services, a function that may gradually accrue to other provincial governments as their roles and responsibilities evolve, especially vis-à-vis the central ministry directorates.

Consistent with its leadership role within LGP III, the Baghdad team has organized several workshops for our staff in other provinces, including on the organizational development of governors' offices and Provincial Councils and their respective Committees.

One final note: As detailed in our previous Quarterly Report, LGP III legal advisors assisted in the drafting of the Baghdad Capital Law in February of 2009. In the current quarter, passage of this law was still pending.

Basrah

Our assistance to the Basrah Provincial Council yielded early results, including the passage of the council's bylaws this quarter. The eagerness with which the PC has attended to its work is a reflection of the vibrant political climate there, a climate which has also made for heated debate on the functions of the PC and the governor.

As discussed in Section II, the sensitivity of local politics in Basrah has called for a more one-on-one approach with the governor, in particular. For example, although he has been highly receptive to the substance of the LGP III orientation sessions—again, a function of the trust engendered by our Iraqi team leader—he has preferred that this substance be shared through consultative meetings with him and his staff, rather than through formal PowerPoint presentations. This approach has paid off: the Basrah governor has sought our guidance this quarter on organizational management, financial reporting, and planning—all topics covered in the PowerPoint orientation slides.

Our excellent relationship with the governor has supported and been supported by a similarly productive engagement with the Basrah PC. Working with LGP III legal advisors and faculty from Basrah University, council members built on their participation in the orientation sessions to draft bylaws early in the current quarter and begin work on refining its human resource systems.

This latter development as well as Basrah's progress as a GIS³ pilot province under LGP III are discussed in the following section.

Diyala

Soon after the Diyala Provincial Council was seated in April, the LGP III team there was provided with office space in the PC building, a sign of the council's demand for our services and trust in our Iraqi advisors.

After presenting the first two LGP III-designed orientation sessions, our advisors worked with the Diyala Provincial Reconstruction Team to facilitate a two-day visioning exercise for the PC, governor's office, and ministerial directorates. This effort, in part, helped fast-track passage of the council's bylaws on May 12, a move that quickly led to formation of several council committees, including one on budget formulation. As in other provinces, we are assisting in the development of these committees⁴ and helping to ensure that they serve the overall goals of the council.

Toward the end of this quarter, our team in Diyala finalized implementation plans for both the GIS and GAPTIS functions, laying the groundwork for the upcoming strategic planning process and the monitoring functions that will inform it. These functions were explored at length in a three-day work session with PC and GO staff.

Karbala

Karbala was among the first provinces where the Provincial Council completed all eight LGP III-designed orientation sessions and, soon thereafter, passed its bylaws. As such, our work with the council and its governor has been fast-paced and focused already on looking ahead to the 2010 fiscal year.

With the Karbala PC, as in Diyala, much of our work has been focused on responding to requests for support of the council's committees. These have been multiplying (to date, we have advised committees on media, women's issues, and education). What is clear at this point is that both the chairpersons and members of these committees are eager to kickstart a plan of work.

We have leveraged this enthusiasm to steer both the council's and the governor's focus to immediate priorities set by the political calendar, including reviewing expenditures from the previous year's Accelerated Reconstruction and Development Plan (ARDP) budget allocations and beginning the process of projecting these expenditures for the coming year. More on the planning and budgeting process and our assistance with it are detailed in Section II.

³ For more on our GIS interventions, please also see Section IV.

⁴ PC committees are multiplying across the provinces where we work. As they continue to support the development of these committees, our team leaders are coordinating their efforts and sharing lessons, which will be captured in upcoming monthly reports.

Maysan

Maysan is the one province covered by the Provincial Powers Act that is supported from another LGP III office, in Basrah. Although the Maysan team is not resident there, it has made a point this quarter of directly engaging elected officials and their advisors through regular site visits and a highly successful bylaws workshop.

The latter, held in May, built on the already passed council bylaws and offered guidance to PC members on setting up committees and further refining its organizational systems. Related to this, the PC members in Maysan completed all eight orientation sessions this quarter and have explicitly expressed their preference for LGP III advisors as they begin the process of planning for the upcoming budget year.

Najaf

The most important development in Najaf this quarter was the naming of the province's governor. This milestone was delayed well beyond the seating of the Provincial Council due to intense differences over the various candidates. The delay, in turn, hindered our ability for much of the current quarter to deliver the orientation sessions.

Whereas in May, however, only one orientation session has been delivered, we anticipate that, by the end of this quarter, all sessions will have been delivered. We further anticipate that the coming quarter will be one of rapidly successive achievements as both the council and governor work to establish their organizational systems and attend to the time-sensitive work of planning and budgeting for the coming year.

Ninawa

Like Anbar and Salah ad Din, Ninawa was added to the LGP III scope of work after the program commenced in January 2009. Although the province and its capital Mosul remain volatile, our advisory services have been in high demand, both by the Provincial Council and the governor's office.

The LGP III Mosul team was the first to complete all eight orientation sessions for the PC and, by the end of this quarter, had completed those sessions for governor's office staff as well. The well-attended sessions allowed our Iraqi advisors to engage the council members and governor's staff in further discussion of the themes that fall under Work Element 2—namely, planning and budgeting.

During this quarter, the LGP III team assessed the public investment planning skills of GO and PC staff and assisted with review of the province's capital investment history, a first step in developing the upcoming year's budget. To introduce this process, our technical advisors conducted a two-day Capital Investment Budget Formulation workshop. The sessions included 54 attendees from 24 ministerial directorates.

In addition, our team has begun supporting consultations with these directorates to assess their use of service delivery performance measures, a key activity under Work Element 3 (please see discussion in Section II below).

Under Work Element 4, our team encountered some delays in assisting with the drafting and passage of PC bylaws. This was due to ongoing delays in seating the full council, the Kurdish members of which continue to boycott the sessions. Nevertheless, we were able to conduct a baseline assessment of the council's organizational structure and strategic planning, leadership, and management skills. A similar assessment of the governor's office is nearly complete as of this writing.

Salah ad Din

In addition to being fully staffed, the LGP III team in Salah ad Din has hit the ground running with Work Elements 1-4. This has been no small feat, as the recently completed assessments with the PC and governor's office staff have shown: Chief among the PC staff's requests for assistance was basic computer training, including in functions as simple as email.

Nevertheless, the Salah ad Din PC has now completed all eight LGP III orientation sessions and has begun to delve deeper into the technical issues introduced in these sessions. Responding, our team's fiscal advisors, along with LGP III fiscal advisors based in Anbar, have attended weekly coaching sessions with the the corresponding LGP III subject matter expert based in Karrada.

During these sessions, the Salah ad Din and Anbar fiscal teams review their activities from the previous week, identify any common concerns, and, with their expatriate counterpart, plan a strategy for the coming week's activities. This approach is emblematic of our overall program strategy: LGP III is led by Iraqis and supported by expatriate subject matter experts.

Also under Work Element 2, the Salah ad Din Geographic Information System (GIS) Center has been very busy this quarter. It added a third member to the team and installed an Internet connection. Moreover, the Center is holding a GIS workshop on ArcGIS Server on June 24 and 25 in Karrada, during which government GIS specialists will be trained on using ArcGIS Server for data sharing, visualization, and analysis. After the workshop, 50 ArcGIS CDs and user licenses will be donated to the local government. It is the goal of the GIS Center to develop a cadre of trained GIS professionals to whom the Center can be turned over at year's end (please see discussion of GIS in Section IV).

Under Work Elements 3, the Salah ad Din team supported the training of 10 governor's office staff members in GAPTIS and installed six GAPTIS-ready computers for their use. Under Work Element 4, the Salah ad Din team helped organize a Bylaws Development Workshop in Karrada in late May, prompting changes to the existing Salah ad Din PC bylaws.

Wasit

Early this quarter, all eight orientation sessions were delivered to the Wasit Provincial Council, which passed its bylaws shortly thereafter. As Wasit is behind other provinces in its implementation of GAPTIS—and therefore has had to redouble its efforts to obtain data on current ARDP-funded projects—much of our work this quarter has been focused on assisting elected officials with preparation for the upcoming planning budgeting process.

We have reached out to other U.S. government advisors in this effort, most notably this quarter through a presentation of LGP III activities and how they relate to the Provincial Powers Act, which we gave to members of the Wasit PRT as well as leaders of the USAID Community Action Program (CAP) and Tatweer program.

Non-Focus Provinces: Dhi Qar, Diwaniyah, Muthanna

In these provinces, we are currently delivering the orientation sessions only. Although only one session had been delivered by the end of May—due to logistical constraints and our inability to establish relationships as close as those we have established in other provinces—we anticipate that all eight orientation sessions will be completed shortly after submission of this report.

All things considered, the most important development in these provinces, in our opinion, has been the vocal demand for our services from elected officials. In both Diwaniyah and Dhi Qar, these officials have expressed their preference for LGP III advisors, and during this reporting period, the Muthanna Provincial Council Deputy Chairman specifically requested that we open an LGP III office in that province.

II. Progress of Work Element Activities

This section brings together the work of LGP III throughout the 14 provinces covered by the Provincial Powers Act, identifying issues and trends that affect the larger goal of building a decentralized but unified Iraq. Although progress in each province is inevitably linked to the unique political context there, our five Work Elements are designed to cut across these differences. The five Work Elements are:

1. Provincial Council and Governor Orientation
2. Capital Investment Planning and Budgeting
3. Oversight and Accountability of Services Delivery
4. Organizational Development and Systems
5. Supporting Sustainable National Institutions

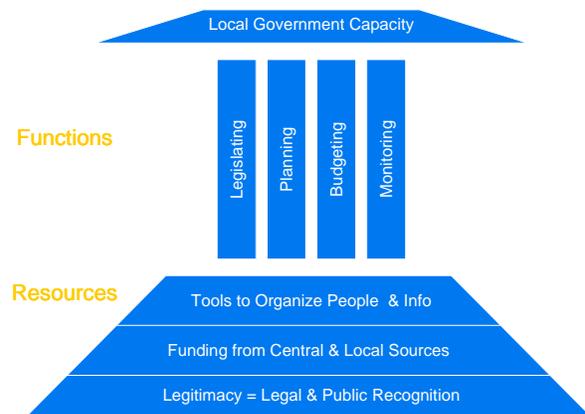
The first four Work Elements apply to LGP III activities in the program's 11 focus provinces as well as the Baghdad Amanat, while Work Element 1 extends to three non-focus provinces of Diwaniya, Muthanna, and Dhi Qar. Given their national scope, activities under Work Element 5 are currently taking place in Baghdad only. Taken together, the five Work Elements guide LGP III efforts *and* reflect the progress of the elected provincial bodies we serve.⁵

Work Element 1: Provincial Council and Governor Orientation

With most of Iraq's provinces led by a preponderance of newly elected council members, both they and the governors they select bring new perspectives to the task of local governance. Our role is to ensure that, as they approach their responsibilities, these officials have access to resources that will assist them in understanding and implementing the Provincial Powers Act.

More than a guidebook, this Act sets the legal parameters for local governance and thus regulates the work of Iraq's Provincial Councils and governors. Hence the first priority of LGP III has been to familiarize Provincial Councils and governors' offices with their functions under the law and the resources they need to carry out those functions (see Figure 1).

Figure 1: LGP III Orientation Sessions



The LGP III orientation sessions reflect our overall approach to good governance, a "house" whose functions are built upon the foundations of three key resources: legitimacy, funding, and organizational tools.

⁵ For a province-specific description of our activities, please see Section II of this report.

This orientation process has been driven by two sub-activities: 1) an introduction to LGP III and its services, which has been delivered in all focus provinces by our Iraqi team leaders; and 2) a series of eight PowerPoint presentations which have been delivered by Iraqi technical staff to council members, governors, and their staffs throughout Iraq. In addition to one presentation that introduces the Provincial Powers Act, the series includes four sessions on the legislative, planning, budgeting, and monitoring functions of Provincial Councils and governors and three sessions on the resources at their disposal—legitimacy, funding, and organizational tools.

Ten of the 11 provinces served by LGP III have Iraqi staff members charged with delivering the orientation sessions (the lone exception is Maysan, which is supported by our Basrah provincial team). In some provinces, instability has meant less competition for provincial officials' time. Consequently, our orientation sessions have been enthusiastically received. Indeed, before the month began, our Ninawa team had already begun orientation sessions with the Provincial Council. By mid-month, all eight sessions had been delivered. That all but four of the council's active members (members of the Kurdish Brotherhood List have boycotted the body) returned for each session points favorably to the council's engagement.

Where violence has largely abated, political wrangling and greater competition for officials' time have tended to hamper our orientation efforts. In Diyala, for example, progress with the Provincial Council has been slow going, primarily because the council had suspended its activities in protest over the arrest of one of its members in May.

True to form, it is in the most politically complex provinces—Najaf, Basrah, and Baghdad among them—that we have encountered the most difficulty in organizing all eight orientation sessions. The Najaf and Baghdad Provincial Councils each convened for the first session in May, but we were unable to deliver any of the other sessions during the reporting period due to political and scheduling conflicts. In Najaf, council members have been preoccupied with challenges to the selection of the province's governor. In Baghdad, orientations were suspended to allow members to attend a workshop in Erbil. Nevertheless, the council members and governors in these provinces may have felt that the first orientation session, which provides a broad overview of the Provincial Powers Act, was comprehensive enough to provide a basis for beginning their work.

All of this leads to an important point. Although there has been much progress toward orienting newly elected provincial officials, those who have chosen, for whatever reason, not to participate in our sessions (or in sessions beyond the first one) are no less responsible for the welfare of their respective provinces. By extension, LGP III, though it is "demand-driven," must still find ways to familiarize these officials with the legislation, planning, budgeting, and monitoring functions defined by the Provincial Powers Act.

Though they have participated in some Provincial Council sessions, governors and their senior advisors, for their part, have generally preferred to meet one-on-one with LGP III staff. Though they may be less willing to attend our orientation sessions, without exception they have been receptive to the content of those sessions through other means (i.e. not through our standard PowerPoint presentations).

Our Iraqi team leaders have met with and established good working relationships with governors or deputy governors in each of the focus provinces. On May 24, for example, our Basrah-based Iraqi team leader met for more than two hours with the new governor there, effectively delivering the first orientation session: an introduction to LGP III, its services and support. Impressed, the governor immediately sought our guidance on organizational management, financial reporting, and planning—all topics covered in the PowerPoint presentations. Consistent with the rationale described above, we view it as no accident that our team leader had delivered two orientation sessions to the Basrah Provincial Council before meeting with the governor.

Other teams are finding similar success. In Babil, the governor, his two deputies, and 15 of his staff as well as a USAID representative attended a May 11 introduction to LGP III and its scope. Again, the governor expressed his support for the program and invited further assistance consistent with the themes of the remaining orientation sessions. Similar meetings, with identical outcomes, were held with the Ninawa governor on May 11 and 12 as well as with the Karbala governor on May 17.

A similar approach is proving effective in the three non-focus provinces served by LGP III. These are provinces in the southern half of the country—Muthanna, Diwaniyah, and Dhi Qar—which currently fall outside the scope of our activities but which must nonetheless be prepared to implement the Provincial Powers Act. Here, we are encountering much demand for our services.

In Muthanna, the Provincial Council’s deputy chairman has asked that we open an office in his province. In a letter sent in May, he noted that he and his colleagues “need this office to build the skills and capacities of the newly elected council members who have no previous experience in the council’s work and its role.”

Acknowledging this need, we have already begun orientation sessions for the Muthanna council. Similarly, in Diwaniyah, LGP III staff presented the first orientation session to more than 20 council members. In a sign of his commitment, the Diwaniyah governor also attended.

Work Element 2: Capital Investment Planning and Budgeting

If Work Element 1 is about knowledge acquisition, elements 2-5 are about the application of that knowledge. Work Element 2 calls upon LGP III subject matter experts to consolidate and disseminate best practices which will assist provincial governments in: 1) refining their provincial development plans; 2) developing a provincial budget to manage funds under the Accelerated Reconstruction and Development Program, or ARDP; and 3) utilizing Geographic Information Systems (GIS) as a planning and budgeting tool.

The Provincial Powers Act assigns to each Provincial Council the responsibility to outline a development plan in coordination with the relevant central government ministries and in step with the overall national development plan.

Under LGP III, this process builds upon each province’s existing Provincial Development Strategy and Provincial Development Plan, both of which were

submitted to and formally accepted by the central Ministry of Planning and Development Coordination in 2008. Again, consistent with the overall design and intent of LGP III, our role in building upon these documents is that of capacity building, enabling Iraqis to set their own priorities for improving provincial institutions and services—and to do so within the parameters established by the Provincial Powers Act.

In Babil, where LGP III has delivered all eight of its orientation sessions, the Provincial Council is already heavily engaged in improving its existing development plan. In May, council members requested follow-up from LGP III on the specific PPA provisions that relate to development of their provincial plan. Our team met with 22 of the 30 elected council members to provide a more in-depth overview of planning methods and strategies than that contained in the orientation sessions.

Since the success of any provincial development plan will depend in large part on the province's ability to secure funds through the centrally managed ARDP (a topic covered in session 7 of our orientation), LGP III teams have acquainted Provincial Council members with the functions and priorities of the various Baghdad-based ministries, represented in each province by "directorates."

To this end, the LGP III team in Ninawa organized a May 19 meeting between several committee chairs of the Provincial Council, the PC deputy chairman, and representatives of 12 corresponding directorates working in the province. Directorate officials provided an overview of each directorate's function and management structure, funding mechanisms, and current-year priorities and constraints. The meeting was an important step toward fostering cooperation between the provincial government and the central ministries and furthering the Iraqi government's goal of ensuring consistent standards for development across provinces. Further meetings are being planned in Ninawa as well as by our teams in other provinces.

Another key activity this quarter was development of a draft Budget Formulation Manual. The manual, available in Arabic and English, is a how-to guide for provincial officials who now have two months to determine how they propose to use ARDP funds and to submit their Capital Investment Plan and Budget to the Ministry of Planning and Development Coordination. Pending review from USAID, the manual may be submitted to the Ministry for use as official guidance on the budgeting process.

Provincial Councils must identify their ARDP funding priorities and submit their Fiscal Year 2010 budgets to the central Ministry of Planning and Development Coordination by August. The timetable is tight, but much of the groundwork has been laid through the budgeting process for the current year and through the ongoing planning process, a key component of which has been our GIS work.

Given their resource constraints—both human and technological—Iraq's provincial governments have only a nascent knowledge of the practical planning applications that GIS can provide them. Still, the demand for GIS training is there, and to the extent that that training dovetails with the larger LGP III goal of aiding the development of strategic plans and budgets, our advisors are responding to the demand with targeted technical assistance.

Our GIS assistance is concentrated in two pilot provinces, Basrah, and Salah ad Din, where existing infrastructure and a high level of local support will help create a model for other provinces. In Basrah, we are leveraging the support of local organizations whose technical expertise can sustain the development of GIS centers; and in Salah ad Din, provincial officials have already begun building a GIS center in the province's capital, Tikrit.

In both cases, the long-term goal is clear: to collect and manage the data that will help provincial officials plan for the use of ARDP funds. In this way, the GIS effort is inextricably linked with the two other sub-activities under this Work Element. In other words, GIS is not an end itself, and in its implementation, we seek to underscore the fundamental principles of rational planning and budgeting.

Emphasizing these principles is important because, even in the relatively advanced pilot provinces, robust GIS data will not be available in time to inform their 2010 Capital Investment Plan and Budget. Instead, officials in Basrah and Salah ad Din have set a more realistic, but still ambitious, goal of initiating GIS data collection by December 2009. This will allow these pilot provinces to use GIS in planning their 2011 ARDP projects—in time for their respective Capital Investment Plan and Budget due in August 2010.

This quarter, most of the progress toward this goal took place in Basrah, where our team has established excellent relationships with local officials and with the Basrah Investment Commission. At the Commission's invitation, LGP III GIS advisors completed a map showing the plot records and land use of potential locations for investment. The map, completed on May 3, can be used to model other mapping efforts and is thus a significant first step toward applying GIS in the development of the 2011 Capital Investment Plan and Budget.

As important, the map will create a demonstration effect for Salah ad Din and other provinces slated to use GIS in the future. As we work in the two pilot provinces, we are sharing their experiences with provincial officials throughout Iraq, many of whom have expressed an interest in establishing similar GIS centers. Rather than stray from our focus on Basrah and Salah ad Din, we are instead developing training materials and, as above, sample maps that can eventually be utilized in all provinces. As with all of our activities, our GIS efforts are designed to be replicated for use throughout Iraq.

For more on our GIS work, please see Section IV.

Work Element 3: Oversight and Accountability of Services Delivery

Work Element 3 is about assisting provincial officials' efforts to make good on the goals of their Capital Investment Plan and Budget. It is therefore only in its preliminary stages, with LGP III advisors consulting with provincial officials and developing materials that will assist them with monitoring and oversight once planning and budgeting for the coming year is finalized.

Already, however, LGP III has gone a long way toward building the capacity of provincial government institutions to improve service delivery to its citizens by: 1) aiding in the development of performance measures for public servants; and 2) continuing to facilitate implementation, at the provincial level, of the Governorate Accounting and Project Tracking Information System (GAPTIS), a tool for monitoring and oversight.

Implicit in our efforts under this Work Element is the need for coordination between governors, who are charged with the executive responsibility of oversight, and Provincial Councils, which monitor the governors' oversight function. Both must rely on up-to-date, reliable information about progress in their jurisdictions. As the tools for generating and organizing this information are being developed, coordination between the councils and governors in each province is largely a consultative process.

By standardizing the mechanisms of monitoring and oversight, Work Element 3 also further improves coordination between each province and the national government. GAPTIS, for example, uses the national government's chart of accounts. This parallel will give provincial governments the ability to merge their accounting systems with the national Financial Management Information System, or FMIS.

To date, most of the work of developing performance measures has been focused on assessing provincial governments' current capacity to track ongoing projects and generate actionable information on their progress. This effort has proceeded apace in all focus provinces, where our team leaders have incorporated the discussion of performance measurement in their introduction to LGP III and its services.

In addition, our orientation sessions, discussed under Work Element 1, have provided an opportunity to introduce the principles of performance measurement and how they relate to provincial governments' responsibilities under the Provincial Powers Act.

Behind the scenes this quarter, our senior advisor for performance measurement, based in Karrada, delivered a more comprehensive presentation on service delivery performance measurement than that contained in our orientation sessions. The presentation was delivered to representatives from LGP III teams throughout the country, who will then help refine it for dissemination to Provincial Councils and governors' offices in all provinces where we work.

Our team leaders will bring current feedback on the state of service delivery at the provincial level, where they have been actively conducting site visits with Provincial Council members to current-year ARDP projects. These site visits give council members an opportunity to see first-hand the range of factors supporting or hindering successful completion of each project—factors that form the basis of their future performance measurement systems.

As with all our activities, the workshop in Baghdad was emblematic of the LGP III approach: Our expatriate advisors, who bring knowledge of international best practice, developed guidance that was then “ground-truthed” with our Iraqi team members, who interface directly with our Iraqi customers. Each team member brought knowledge of the province within which he or she works, but the net result of their input was a document that serves all provinces.

This quarter, for example, LGP III advisors consolidated information gathered during the initial phase of the program into an assessment that will allow us to determine: 1) the extent to which GAPTIS is being used in each province; 2) the capacity of provincial staff charged with implementing and maintaining GAPTIS; and 3) the availability of space and equipment to carry forward the work of training GAPTIS staff and ensuring ongoing implementation.

Using the results of this assessment, we will work with provincial officials to determine how best to roll out GAPTIS in the three provinces—Wasit, Salah ad Din, and Diyala—where the system had not been previously implemented. In addition, we have already begun exploring development of an updated version of GAPTIS to incorporate lessons learned during its implementation so far.

In provinces where the current version of GAPTIS is already in place, the important work of entering data into the system has been ongoing. This effort will take additional staff resources, as the amount of data has grown with the number of projects funded under the ARDP. In Ninawa, for example, the LGP III team worked with local representatives this month to issue a position announcement for temporary data entry staff. We anticipate that these additional staff will be hired in the coming month.

Work Element 4: Organizational Development and Systems

LGP III is working with Provincial Councils and governors' offices to: 1) assist in the development of bylaws, which contain the standard rules and procedures to upgrade Provincial Council members' capacity to implement the Provincial Powers Act; and 2) ensure that the same standards are applied among staff of each provincial governor.

This quarter, Work Element 4 had a built-in deadline: the Provincial Powers Act required each Provincial Council to pass its bylaws within 30 days of its first meeting. This goal has been met in seven of the 11 provinces where we work. The remaining provinces may be technically "delinquent," but, in reality, the painstaking process of refining bylaws continues in each province, whether they have yet to pass them or whether they are in the process of amending them.

Although LGP III has not been involved in the drafting of these bylaws, our advisors have been called upon to offer guidance on its contents. Through this consultative process, we have worked to streamline and refine the text of these bylaws and bring them in line with the Provincial Powers Act and with what other provinces have drafted. Partly as a result of our interventions and partly a function of the haste with which councils were required to draft their bylaws, even in the seven provinces where bylaws have already been passed, we have been asked to assist with amendments.

The upshot here is that formalizing the work of provincial government is an ongoing, iterative process. This was evidenced by provincial officials' positive response to two bylaws workshops held in May, one in Maysan and one in Baghdad. The May 20-21 workshop in Baghdad included 20 council members from five provinces, including the legal committee chairpersons for the Basrah, Maysan, Anbar, Muthanna, Salah ad Din, and Baghdad Provincial Councils. Although some of these provinces have

already passed their bylaws, their council members left the workshop with new ideas on how to improve them and have since asked for LGP III support to do so.

We view this as a positive development. Although the drafting of bylaws should by no means be an open-ended process, the desire to improve existing bylaws is a sign of council members' engagement and commitment to excellence. Moreover, improvements will become more and more appropriate as the Provincial Councils go through the learning process of developing their upcoming Capital Investment and Budgeting Plan, with all of its related upgrading of informational (e.g. GIS, GAPTIS, etc.) and human resources. The LGP III legal team, working under team leaders in each province and reporting to an expatriate senior legal advisor, are working to assess demand for ongoing advisory services. They are also in the process of developing written resources that, like the budget formulation manual and performance measurement presentation, will bring together lessons learned and offer consistent guidance across provinces.

This effort is not happening in isolation, however. In fact, LGP III benefited this quarter from the input of Iraqi legal experts at local universities. University professors in Basrah and Tikrit, complementing the LGP III legal team, are already advising the Provincial Council there on amendments to their bylaws. And in Babil, LGP III legal advisors worked closely with law faculty professors at the provincial university to review the draft bylaws, providing suggestions based on our knowledge of other provinces' efforts and our knowledge of international best practice.

This cooperation with local universities lends legitimacy to both the drafting process and the role of LGP III—a legitimacy that will earn the public's trust and, more to the point, support the institutionalization of bylaws within the offices of the provincial governors.

For obvious reasons, the bylaws cannot be fully applied to the staff of the Provincial Councils until they are finalized. Our role is to help expedite this process and, to the extent possible, to apply what is learned to the development of human resources in the governors' offices. Even as these resources are being developed, however, the business of governing goes on, and LGP III has been providing appropriate advisory services in response.

In Basrah, for example, we responded to a request by provincial officials to set up a human resources system to manage the number of contracted engineers working in the province. We assisted in revising the organizational structure of the relevant department and advised the deputy governor on ways to bring the number of engineers in line with current and projected ARDP budgets.

Finally, in an attempt to consolidate the lessons we are learning from these interventions, this quarter we revised the LGP III Organizational Development Manual. Although not a contractual deliverable, this manual, which has been available in Arabic and English on our website is a useful primer for provincial government officials. As with all LGP III "intellectual capital," we view the manual as a living document and will revise it as necessary to reflect the needs and capacity of the organizations for which it is intended.

Work Element 5: Supporting Sustainable National Institutions

Under this Work Element, LGP III is: 1) supporting the Iraq Local Government Association (ILGA) by advising on its organizational development and by developing the capacity of its Secretariat and members; and 2) on an as-needed basis and in close coordination with the Prime Minister's office, supporting the creation of the High Commission for Coordinating between Provinces and its coordination with the ILGA.

The ILGA and High Commission will represent the interests of Provincial Councils and governors, respectively, to the central government. The ILGA is an existing, though as-yet-unregistered, entity (please see discussion below); the High Commission, which had not been formally constituted during this reporting period, is described in Article 45 of the Provincial Powers Act and, per the Act, shall be "headed by the Prime Minister."

As an association of Provincial Councils, the ILGA was responsible for drafting the Provincial Powers Act and engaging with the Council of Representatives, in numerous revisions of the draft, leading to its enactment in June 2008. With the January 2009 Provincial Council elections, many of the original participants in the ILGA have been replaced. Under LGP III, the new composition of the ILGA represents an opportunity to assist the association in: 1) acquiring legal status and 2) further building its capacity to represent provincial interests to the central government.

This quarter, ILGA participants continued to explore options for registering the association as a legal entity (e.g. as a formal association, as a nongovernmental organization, etc.). During this consultative process, LGP III legal advisors are offering input on each of these options. Our aim remains to ensure a viable organization that can work to represent provincial interests to the central government effectively.

In the meantime, LGP III advisors continued to advise the ILGA on its organizational development. We met in May with a preparatory committee to explore options for convening the first meeting of its new participants, looking specifically at logistical considerations, including dates and an illustrative event budget. Prior to this proposed meeting, the ILGA is working to fill three seats representing the Baghdad Provincial Council. That several members of the council have been actively vying for these seats is a sign of the Association's potential among the Provincial Councils.

Unlike the ILGA, the High Commission did not exist prior to the Provincial Powers Act. Although the Commission has not yet officially convened, the governors who are to become its members and the Prime Minister, who will be its head, have made progress toward further cooperation and toward formally announcing the Commission. During this reporting period, for example, the main High Commission players gathered for a Ministry of Provincial Affairs-sponsored introductory conference in Baghdad. A further, more substantive conference is planned for July.

LGP III is well-placed to support these positive developments given our ongoing work with governors' offices in the provinces, our assistance to the ILGA, and our

overall familiarity with local government development in Iraq. Through our work with the High Commission, we will continue to support coordination of this development at the national level, and we will do so in close coordination with the Prime Minister's office.

III. Deliverables and Reports

The following deliverables and reports were submitted to USAID between April 1 and June 30, 2009.

Name of Deliverable	Date Submitted
Monthly Report – March	April 5, 2009
Assessment and Evaluation Quarter 1 Report	April 15, 2009
Employee Nationality Data I	April 30, 2009
Quarter 1 Financial Report	April 30, 2009
Security Provider Data I	April 30, 2009
Sub-Activity Report I	April 30, 2009
Monthly Report – April	May 5, 2009
Applied Best Practices–Semi-Annual	May 15, 2009
Monthly Report – May	June 5, 2009
Budget Formulation Manual	June 9, 2009
Quarter 3 Implementation Plan	June 16, 2009
Quarter 2 Report	June 23, 2009
Accrual Report 2	June 30, 2009*
Course Syllabus and Materials - Semi-Annual I	June 30, 2009*

*Although these deliverables will be submitted after completion of this Quarterly Report, we anticipate no delays in meeting their deadline.

IV. Implementation Plan for the Next Quarter

Our implementation plan for the next quarter contains necessary changes in chronology and emphasis, not in overall scope.

Where Provincial Councils have lagged in naming a governor, for example, our orientation sessions have had to operate in parallel to the now ongoing planning and budgeting process. Where that process has required new systems or expertise, our subject matter experts have assisted with the organizational development of Provincial Councils and governors' offices⁶.

This flexibility in means, not ends, is captured in our proposed Quarterly Implementation Plan⁷, which reflects our clear mandate and confidence in our ability to navigate the patchwork politics of provincial government. Our mandate derives from Iraq's Provincial Powers Act, our confidence from the trust afforded LGP III by our Iraqi counterparts.

In the first and second quarters of 2009, this trust allowed LGP III to engage Provincial Councils and governors' offices through in-depth orientation sessions aimed at establishing a common baseline—the Provincial Powers Act—for our work in the third quarter and beyond.

As we move into the third quarter of 2009, we are focusing on assisting with planning and budgeting, while continuing to assist in the development of models for delivering and monitoring services as well as upgrading the skills of those charged with overseeing these services. As discussed in Section II, much of the latter set of activities is focused in Baghdad, where the Amanat structure provides a “laboratory” for decentralized public services.

Our implementation plan for the next quarter therefore reflects the following refinements to the overall LGP III workplan:

1. Under Work Element 2, we have added a greater emphasis on leveraging existing resources and transitioning GIS-related activities to our Iraqi customers.
2. For the Baghdad Amanat, we have developed a distinct implementation plan, incorporating themes from Work Elements 2, 3, and 4 and with an eye toward creating a demonstration effect for other provinces.
3. Under Work Element 5, we have re-prioritized tasks to allow for further development of the capacity and sustainability of the Iraqi Local Government Association as well as support for the establishment of the High Commission for Coordinating between Provinces.

⁶ See, for example, discussion of the draft Budget Formulation Manual in Section II.

⁷ A draft of this document was submitted to USAID on June 16, 2009.

Work Element 2: Planning and Budgeting

Our Work Element 2 activities for the coming quarter fall into two categories: 1) assisting in the provincial planning process by consolidating and transitioning our work with GIS; and 2) translating the planning process into action by refining and disseminating a Budget Formulation Manual which is consistent with newly released instructions from the Ministry of Finance.

Planning

Although there has been sustained demand for LGP III assistance with GIS, limited infrastructural, technological, and human resources at the provincial level prompted LGP III to limit its assistance to two pilot provinces: Basrah and Salah ad Din⁸.

Much progress has been made to date against the GIS implementation plan in these provinces, specifically for: 1) procuring and installing GIS equipment in the provinces, 2) building the capacity of governors' staffs to apply GIS in their respective province's planning process, and 3) designing a realistic plan for integrating GIS into the provincial planning process and transitioning that process to the staff of governors' offices within six months..

In the case of GIS equipment, LGP III seeks to obtain existing unused equipment whenever possible and put it to use in the pilot provinces. Where additional equipment may be needed, we would seek to leverage against other funding. This approach prioritizes the program's role as a provider of technical assistance and advisory services, not as a grantmaker.

Thus, the aim of LGP III GIS activities is to operationalize a planning tool of local governance in accordance with the requirements of the PPA. It is our belief that ample GIS assets already exist in Iraq and that LGP III, rather than procure additional assets, must work to ensure that they are operational where they can make the most impact.

Similarly, in the case of training, LGP III would not drive the process of GIS planning but, rather, better acquaint the staff of governors' offices in the overall utility of GIS in this process. As such, the revisions proposed in our Quarterly Implementation Plan include non-technical workshops that are geared toward providing a broad overview of GIS and how it can be used in the planning process. These workshops are intended for generalists, not GIS technical specialists.

With equipment in place and awareness bolstered at the governors' offices, LGP III will implement a strategy empowering provincial officials to gradually fold GIS into their five-year planning process. With this in mind, the below implementation plan includes arrangements for transition of the GIS program to the Government of Iraq (GOI).

This handover will take place within six months and will include suggestions for a three-stage provincial implementation plan that, by the end of the third stage (or after approximately five years) would allow provincial governments to fully integrate GIS into their planning process.

⁸ Please see below for how LGP III is advising on GIS activities in the Baghdad Amanat.

Budgeting

The budgeting process is a reflection of the provincial planning process, clearly expressing a provincial government's vision and plans to improve public services and provide for future economic growth.

As described in Section II of this report, in the second quarter, LGP III advisors finalized a draft Budget Formulation Manual intended to assist elected officials at Iraq's Provincial Councils and governors' offices⁹ in developing their capital investment and operation and maintenance budgets for fiscal year 2011.

The document includes citations of the authority and responsibilities of elected provincial government officials as stated in the Constitution of Iraq and the Provincial Powers Act, a glossary of key terms, and a step-by-step description of the activities, roles and responsibilities of provincial officials in the budget formulation process. It also contains a recommended budget calendar and formulas for projecting revenues as well as templates of the budget forms required by the GOI.

In the coming quarter, we will field test the draft manual with provincial officials and develop a section on public participation in the budgeting process. As with all LGP III activities, our development and dissemination of the Budget Formulation Manual will be an iterative process, informed by the practical lessons of the current budgeting cycle and improved to include case studies and other material as appropriate to assist in future budget preparation efforts.

Work Elements 2, 3, and 4: Working with the Amanat to Create a Demonstration Effect

Although the broad aims captured in the LGP III Work Elements apply consistently throughout Iraq, distinguishing the Baghdad Amanat is important for two reasons:

1. The capital's legal status allows the Amanat to directly manage provision of public services—a responsibility that, in the rest of Iraq, remains within the purview of national ministries.
2. This unique status makes Baghdad a useful “laboratory” for Iraqi local governance in the 14 remaining provinces covered by the PPA.

For these reasons, the Amanat implementation plan proposes planning, service delivery and measurement, and organizational development activities (under Work Elements 2, 3, and 4) which are more “hands-on” than in other provinces. The intent is to remain demand-driven while at the same time creating a demonstration effect for provincial governments as they: 1) prepare for possible further decentralization of some public services and 2) develop their capacity for oversight and monitoring of these services.

Planning

⁹ The document may also be useful to elected representatives at the qada' and nahya levels, where at least an overall understanding of the budgeting process is needed.

Consistent with the GIS transition strategy discussed above, LGP III is moving its focus from supporting individual GIS chapters toward leveraging existing assets and building the capacity of provincial government officials to integrate GIS into their planning processes.

This approach is already being “field tested” in the four *beladiyas* where LGP III currently works, as well as in 10 additional *beladiyas* that are supported through advisory services to the Amanat. In the four *beladiyas* where LGP III works, GIS units are being developed to assist public works departments with their planning. In addition, the lessons learned from this implementation are being captured through a technical partnership within Baghdad University, where a national center for GIS best practice has been established.

Service Delivery and Measurement

Under this activity, LGP III will seek to institute performance measures to assess the Amanat’s delivery of essential services. This set of measures—culminating in a Service Improvement Action Plan—can then possibly serve as a model for Iraq’s provinces, whether they may deliver some essential services themselves or whether they remain responsible for oversight of this delivery by national ministries.

To arrive at actionable performance measures, LGP III will continue to work closely with Amanat staff to monitor public service projects, including the Baghdad Water Laboratories, and the rebuilding of the Al Risafa plant for potable water. The intent of these interventions will be to assist in monitoring of project performance, an activity that falls squarely within the scope of Work Element 3.

Organizational Development

As the Amanat develops more sophisticated approaches to planning and to service delivery and measurement, its staff will follow suit. Under this set of activities, the Amanat staff’s experiences, as well as any related LGP III organizational development support, will be documented for the benefit of Iraq’s provincial governments.

In addition to capacity building at the staff level, organizational development activities within the Amanat will focus on clarifying the roles and relations between service delivery providers and those who monitor and oversee them, namely the Amanat Essential Services Committee, the Baghdad Mayor, the Baghdad Provincial Council and Governor, and the municipalities.¹⁰

Work Element 5: Supporting Sustainable National Institutions

The enthusiasm with which the prime minister’s office has engaged in the development of provincial government has hastened the need to ensure corresponding development of two key national institutions: 1) the High Commission for

¹⁰ These roles and relationships are to be further clarified by the Baghdad Capital Law, a draft of which was completed in February 2009 with LGP III assistance. The draft law has yet to be passed.

Coordinating among Provinces (HCCP) and 2) the Iraqi Local Government Association (ILGA).

Pursuant to Article 45 of the 2008 Provincial Powers Act, the HCCP is intended to be a forum for provincial governors to represent their concerns and those of their constituents at the national level and to coordinate provincial activities with federal government activities. Although it has yet to be formally established, the HCCP has become a higher priority for LGP III for two reasons: 1) demand for LGP III assistance from the prime minister's office and 2) the importance of ensuring coordination between the HCCP and the ILGA.

HCCP

When the overall LGP III Workplan was approved earlier this year, it had not yet become clear what role, if any, we might be able to play in assisting the Office of the Prime Minister and the governors of Iraq in establishing the HCCP or in building the capacity of its secretariat. In the intervening months, it has become clear that LGP III will be afforded the opportunity to play a role in this significant enterprise. Hence, our proposed implementation plan revisions for the next quarter contemplate additional steps to bring about the establishment of the HCCP and, beyond that, steps to assist in designing and developing its secretariat, all with the goal of strengthening the development of the HCCP as an effective means of inter-provincial and federal-provincial coordination.

In the next quarter, LGP III will support a series of meetings, conferences, and workshops with the relevant officials in the federal government. These officials will include the Prime Minister, who will serve as the chairman of the HCCP, once established. Also included will be the governors of Iraq's provinces. We anticipate that the first of these meetings will take place in July 2009 and will focus on facilitating discussion amongst the governors on their vision and goals for the HCCP and their thoughts on its organizational structure, including a secretariat.

ILGA

An existing association, the ILGA represents the concerns of Provincial Councils at the national level and, like the HCCP, aims to improve federal-provincial coordination. Demand for LGP III assistance to the ILGA is matched by council members' continued interest in formalizing and professionalizing the body. Therefore, in the next quarter, we will work to further: 1) the acquisition of legal status for the ILGA¹¹ and 2) the prioritization of its members' activities and the streamlining of its organizational systems.

¹¹ Obtaining legal status for the ILGA is of critical importance to the organization's ability to function independently (e.g. to open bank accounts, to hire staff, and to sign leases and cooperation agreements).