

Iraq
First Institutional Capacity Building Project
Completion Note

1. The first capacity building project (€3 million) financed by the European Commission's Rapid Response Mechanism within the World Bank Iraq Trust Fund was approved on February 9, 2004 and closed on August 9, 2004. The project was designed to answer the immediate and most urgent training needs of the Iraqi civil servants.

2. The activities undertaken were agreed upon by the Ministry of Planning and Development Cooperation and the various ministries concerned and considered priority areas for Iraq's development agenda and the implementation of the ITF-financed projects. The subjects of the workshops ranged from project training, sector specific training (education, health, infrastructure), private and financial sector development, to macroeconomic reform).

Background

3. Nearly all of the sector assessments, jointly prepared by the World Bank and the United Nations, highlighted the need to build internal capacity within ministries to tackle the challenges of the transition. The Government's ability to absorb and implement new mandates and resources, particularly as it gains sovereignty and decision-making authority, will be one of the most significant challenges to reconstruction. Iraq possesses a strong core capital of institutional potential with well educated and determined civil servants in key positions. However, checks and balances and improved financial systems are needed throughout to reestablish basic principles of good governance, transparency, and accountability.

4. The Iraqi authorities recognize the critical importance of strengthening the Iraqi human resource base by developing individual capabilities, incentives, and institutions so that they perform efficiently and effectively in the reconstruction and development of or Iraq. The EC agreed to finance the project from their Rapid Response Mechanism which allowed for implementation period of no more than six months.

Strategic Objectives

5. The overall aim of the project was to build the capacity of the Iraqi authorities to enable them effectively to participate in the definition and prioritization of international programs of support and to play a leading role in the reconstruction process. The project sought to do this by (i) assisting the Iraqi administration to build capacity in key public administration areas to facilitate use of public resources, including donor funds, for urgent reconstruction and development efforts; (ii) helping the authorities strengthen strategic and technical skills and design integrated policies and programs to put Iraq on track towards meeting the Millennium Development Goals; and (iii) enhancing policy making within government to ensure the emergence of a private sector able to serve as an engine of growth.

6. The project focuses on three components: (i) managing the project cycle; (ii) sector specific training for line ministries; and (iii) private sector capacity enhancement.

7. During the life of the project, twenty-two activities were completed and 581 Iraqis were trained on a variety of issues¹. Several activities could not be held and about US\$1 million of the grant amount will be undisbursed. Given the existing travel constraints, the courses were held outside Iraq: twelve courses were held in Jordan, six in the Middle East and North Africa, and three in Europe. While several venues were considered for each activity, Jordan was often selected because of its proximity to Iraq and the fact that Iraqis were allowed to enter Jordan with travel permits instead of passports and visas.

Activities Completed under the Project

Component 1: Procurement, Financial Management, Safeguards, and Project Management Strengthening. Building on the lessons learned in other post-conflict countries where procurement and fiduciary weaknesses delayed reconstruction programs, this component focused on building capacity in project management, procurement, financial management, and safeguards.

Activities	Total Participants
Project Training 1	75
Project Training 2 (PM and Procurement)	33
Follow-up Project Training for PMT Staff working on Infrastructure Projects	29
Follow-up Project Training for PMT Staff working on Education Projects	17
An Integrated Approach to the Procurement of Health Sector Goods	6
Safeguard Policies	60

8. All the activities planned under this component were completed, but one activity, the second project training, was scaled down both in terms of number of participants and subjects covered, because the hiatus requested by the Ministry of Planning to review the impact of past activities halted the task preparations for a few weeks.

9. Five of the six activities were specifically organized for Iraqi civil servants and tailored to their needs. The courses were delivered in Arabic or in English with simultaneous interpretation. The material distributed and the case studies were also

¹ The participants were from 19 ministries, the Central Bank, the Supreme Audit, various universities, private banks, and Chambers of Commerce and Business Associations. The participating ministries were: Ministry of Agriculture, Ministry of Communications & ITPC, Ministry of Culture, Ministry of Education, Ministry of Electricity, Ministry of Environment, Ministry of Finance, Ministry of Health, Ministry of Higher Education, Ministry of Housing and Construction, Ministry of Industry and Minerals, Ministry of Municipalities and Public Works, Ministry of Oil, Ministry of Planning and Development Cooperation, Ministry of Science & Technologies, Ministry of Tourism, Ministry of Trade, Ministry of Transportation, Ministry of Water Resources

provided in Arabic. The project also allowed six MoH staff to participate in the integrated approach to procurement of health goods organized by the Bank's East Asia Region.

10. The workshops included lectures, questions and answers, case studies and hands-on exercises. By the end of the workshops, the majority of the participants were able to apply the concepts learned to practical exercises and case studies. The courses benefited from very high level of participation and the interest in the discussed subjects which led to almost perfect attendance. The participants had sound knowledge of the subjects discussed, which indicates that the criteria for selection of the participants were met, with the exception of a working-level knowledge of English—which given the availability of simultaneous interpretation and large number of Arabic-speaking trainers did not become an obstacle to learning.

Component 2: Sector-Specific Training for Line Ministries to help the authorities strengthen their strategic and technical skills needed in designing integrated policies and programs

Activities	Number of Participants
Higher Education - Governance, Financing and Reform	40
ICT in Teacher Education	20
National Health Accounts	33
Health Sector Reform and Sustainable Financing for Iraq	29
Health Masterplanning	22
Roads Networks Planning and Management	4
Urban Reconstruction and Rehabilitation	12
<i>Study Tour (Lebanon and Tunisia)</i>	
Water Demand Management Conference	7
Water Supply and Sanitation Study Tour	11

Education Sector

Higher Education. The objective of the course was to provide an opportunity for an exchange of ideas on global experience in higher education particularly with regard to governance, financing and reform of the system in a post-conflict environment. In addition to the scheduled classes, the workshop invited Higher Education officials from Syria and Lebanon to bring some regional experiences (field visit to local public and private universities provided an important stimulus for discussions and comparisons) and allow for the re-establishment of the connections with HE institutions in neighboring countries. The participants found the subjects discussed and the experiences shared highly relevant to their current situation

ICT in Teacher Education. The objective of the course was to develop an initial draft strategy document outlining how the Ministry of Education might use ICT as a component of its teacher education strategy. The initial plan for capacity building support under the project contained provision for both ICT and teacher management. This workshop was quickly planned to build on a program conducted by Microsoft by providing a strategy development session.

Additional courses expected for the Education sector did not materialize due to the change of Minister.

Health Sector

National Health Accounts Capacity-building Workshop: The objectives of the workshop were to build the capacity of the MoH, MoPDC and MoF in order to successfully allocate the health budget and improve resource planning through the use of NHA methodologies. The facilitators of the training presented key NHA concepts, methodologies and engaged the participants in several group activities to enhance their knowledge and promote healthy dialogue on the subject. As their final exercise, each of the working groups developed action plans delineating how NHA can be moved forward at the central and governorate levels.

Health Sector Reform and Sustainable Financing. The objective of the course was to (a) enable participants to discuss health sector reform and sustainable financing options, (b) place their health system in a taxonomy of health systems in accordance with its structural, financial, and functional characteristics, (c) assess how well their health system rates on performance criteria such as efficiency, equity and sustainability, (d) determine alternate paths; (e) understand how to move the health system to a participant-defined future state; (f) understand how to select and apply tools and procedures to make desired changes and assess their effects.

Health Masterplanning. The project financed some of the cost of the workshop, whose objective was to introduce a health system development planning process and to establish a status of the current health infrastructure development and finally to prepare the basis for a short term plan of action for the development of the phases in order to draft the first Facility-based Health Service Development Plan. The overall Seminar program covered the following topics: (a) introduction to Health Development Planning; (b) National Health Planning Standards and Guidelines and Data Collection; (c) introduction of existing health care system and physical infrastructure; (d) Update on ongoing Reconstruction Program in Iraq; (e) design manual; and (f) next steps

Infrastructure Sector

Senior Roads Seminar: The objective of the workshop was to expose four high level roads executives involved in the planning and management of roads' networks in Iraq to the latest international trends on restructuring, management, and financing of road systems. The seminar exposed the Iraqis to a group of experts and civil servants from different parts of the world who regularly deal with similar issues. The three-week seminar was conducted by the University of Birmingham and included three modules: Restructuring Road Management; Road Financing and Road Fund Management; and Road Management Systems. Additional side sessions with the university professors and a consulting firm were organized to identify additional training needs in the sector.

Urban Reconstruction and Rehabilitation Study Tour in Lebanon and Tunisia. The study tour aimed at exposing Iraqi civil servants to Lebanon and Tunisia's experience in urban rehabilitation, including programming, budgeting, strategic planning, implementation and monitoring, urban management, solid waste management, and private sector investment promotion. In Lebanon, participants were exposed to all facets of reconstruction and rehabilitation of municipal infrastructure and basic services. In Tunisia, participants were presented with the strong urban rehabilitation and upgrading plan followed by Tunisia over the past twenty years.

Water Demand Conference.

Water and Sanitation Study Tour. The study tour to Jordan aimed at exposing key decision-makers in Iraq's water sector to international experiences, models of organization and techniques of operations. The Study Tour was originally expected to cover both Jordan and Tunisia, but because of the hiatus requested by the Ministry of Planning, the tour had to be postponed by a few weeks, when the Tunisian authorities were no longer able to host the participants.

Component 3: Private Sector Capacity Enhancement to support sustainable growth and job creation outside of the oil sector

Activities	Number of participants
Telecommunications	20
State-owned Enterprise	27
Investment Climate	20
Macroeconomic Training for University Professors and Senior Officials	27
Infrastructure Regulations	42
Payments Systems	26
Banking Supervision	21

Telecommunications Workshop: The main topics covered in the workshop were: recent trends in technology and sector policy, sector policy development, sector regulation, market structure issues, universal access strategies, and enterprise restructuring and private sector participation. The workshop provided the Iraqi officials from the telecom, internet, and postal sectors with the opportunity to have the first group discussion on the future sector strategy and the needed sector reform. The participants, with assistance from the Bank team, have developed a detailed outline for a sector policy for the communications sector. The Minister and the team decided to use the document as a basis for preparing the long-term national sector policy document, and eventually the sector law that would guide future developments in the sector. The Minister requested the Bank to continue its support in order to finalize this document and to prepare the sector law. The participants have also developed an initial program for the restructuring of the incumbent operator.

State-Owned Enterprises Reform and Investment Climate, Trade Facilitation and Legal Systems Workshops: Both workshops included presentation of best practices in each field and then the consultants and the trainers engaged the participants through interactive sessions that included role playing through case studies (privatization and special economic zones), issue polling (SOE reform, foreign investment, role of the state in privatization, impediments to SOE reform and investment, etc.), open discussions and policy dialogue. The participants received training material that included case studies of international best practices, tool kits on labor issues, and other material related to reform and investment. Study tours added value to the workshops and were very well received by the participants as they were able to see the results of SOE reform and investment promotion in Jordan. Participants of the first workshop visited the Executive Privatization Commission in Amman and met with the Chairman and all the departmental heads. Then the group visited the offices of the Jordan Cement Company and met with the General Manager. The group from the second workshop had a full day visit to Aqaba where they visited the Aqaba Special Economic Zone, the Aqaba Industrial Estate, Customs, and the ports.

After the conclusion of the SOE Reform workshop, the World Bank and the delegation agreed on the immediate next steps and prepared a proposal letter to the Minister of Planning that was delivered to the Minister immediately after the return of the delegation to Baghdad. Similarly, the World Bank agreed with the delegation on the immediate next steps with regard to the Investment and trade agenda.

Activities Partially or Not Completed under the Project

Several activities planned under the project could not take place or be completed: the Energy/Electricity Demand Planning Workshop, education workshops and study tours. Other activities were also scaled down: the second project training, the water and sanitation study tour, and the infrastructure regulations workshop.

The Master Implementation Manual. The activity was partially completed. The objective of the activity was to produce a user-friendly tool to assist the future Bank-financed projects to design and document comprehensive and reliable procurement and financial Management arrangements that meet the Bank procurement and Financial Management requirements, and government financial regulations. The consultants selected to produce the manual completed a preliminary draft of the manual which was forwarded to the Bank for review. Since the assignment was not completed before the closing date (the consultants were unable to travel for two months for security reasons), only the cost relating to the preparation of the preliminary draft was charged to the activity. The additional cost was transferred to the Bank's own budget.

Energy/Electricity Demand Planning. The objective of the training was to introduce 7 representatives of the Ministry of Electricity to new models and options for planning sustainable energy strategies and introduce them to modern energy planning and modeling software that would allow the Ministry to better assess and project current and future energy needs. The workshop was cancelled as the deadline for the participants to

obtain visas to go to Austria was missed due because of the request from the Ministry of Planning to temporarily halt the preparation of the activities.

The *Education Sector workshop* and study tours were delayed due to the change in Ministers.

Participants

For each activity, criteria for selection were drafted to ensure the best fit between the candidates and the training and ensure commitment for continued work with the staff after they are trained. The workshops were characterized by:

- ***High level officials attendance:*** Seven of the 22 activities were attended by Ministers or Governors and 14 by Director General levels.
- ***Perfect attendance and high participation.*** The participants were generally well verse in the subjects discussed, and displayed a very high level of participation and the interest in which led to almost perfect attendance.
- ***High caliber of participants.*** All the trainers reported the high professional level of the participants.
- ***High participation of women.*** About 25 percent of the participants were women, with highest ratio registered in the project training, the infrastructure regulations, the banking supervision, and payments systems, and the lowest ratio in the state-owned enterprise and investment climate workshops.
- The participants' knowledge of English was generally lower than expected, which was remedied by providing, the course in Arabic whenever possible, or simultaneous interpretation.
- The average age of the participants were generally higher than usual for similar courses within the region.

Participants filled out evaluation forms for each course. The participants expressed great satisfaction with the courses content, usefulness, relevance to their current situation, delivery, and length; great appreciation for the quality of the trainers, their availability to answer questions, and their flexibility to adapt the programs to accommodate the participants' requests.

The participants expressed two complaints/concerns: while they understood the reasons, they would have liked the workshops to be held in Iraq, and would have preferred higher per diem instead of arranged accommodations.

Major Conclusions/Recommendations

- **Longer implementation period is required for Capacity Building programs particularly in a post-conflict setting.** Some activities delayed and could not be rescheduled during the implementation period mainly because the situation in Iraq delayed the participants' travel, because of the difficulties in obtaining visas or travel documents, or because of conflicting schedules.

- **Need to appoint one focal person in Iraq for each training to coordinate the logistical aspects of the training.** It is crucial for the success of workshops to know well in advance, the list and profiles of the participants, because it facilitates the necessary adaptation of the program' sessions to the participants' professional background, interest and expectations; and gives enough time for the participants to be briefed in advance about the planned objectives and content of the program, and the logistics.
- **Add Internet and/or computer learning sessions to the workshops.** For each training, the participants expressed their desire to learn how to use software relevant to their work and how to access and navigate the Internet.
- **Course venues.** Examine the possibility of holding some training in Iraq, security permitting, and increase the use of Distance Learning.