



Evaluation Summaries

Local Area Development Programme in Iraq (LADP)

Quick Facts

Final External / Joint Evaluation: *June 2010*

Mode of Evaluation: *Independent*

Technical Area: *Microfinance /Skills*

Evaluation Management: *ILO ROAS*

Evaluation Team: *Dean Pallen (Team Leader) and Dr Ali Al Ammar and Serkho Mustafah (National Evaluators)*

Project Start: *July 2007*

Project End: *July 2010*

Project Code: *IRQ/07/02/UNQ*

Donor: *Iraq Trust Fund*

Keywords: *Area-based development programme, governance, human rights, employment creation, skills development, microfinance, business development service, UN coordination, small enterprise development, economic reconstruction*

Background & Context

Programme Purpose, Logic and Structure

The Local Area Development Programme (LADP) is a joint effort to promote more effective local development processes while addressing development objectives such as poverty reduction and economic recovery. LADP is implemented by seven United Nations (UN) agencies and the Iraq Ministry of Planning and Development Cooperation (MoPDC), and is financed through the United Nations Development Group - Iraq Trust Fund (UNDG-ITF). The United Nations

Development Programme (UNDP) is the lead executing agency of the LADP collaborating with the International Labour Organization (ILO) working with United Nations Office for Project Services (UNOPS) through a joint execution agreement, with UN-HABITAT playing an important coordination role at the field level. Other UN partners involved in the LADP are the World Health Organization (WHO), United Nations Educational, Scientific and Cultural Organization (UNESCO), and the United Nations Development Fund for Women (UNIFEM).

The LADP has operated with three key programming objectives: Firstly, to strengthen the capabilities of local authorities to plan and manage reconstruction and development activities through the formulation and implementation of local area development plans that are based on human rights and gender sensitive. Secondly, the LADP stimulates local economic development, and generates short-term and long-term employment. Finally, the programme improves social and physical infrastructure using labour intensive approaches and the service delivery capabilities of local governments.

ILO, in partnership with UNOPS, is the lead agency on the economic recovery component of the programme, facilitated through a microfinance fund of 1.5 million USD. Microfinance contracts were established for the three areas covering six districts. In addition, the project established Business Information Centres (BICs) in the three

projects zones. The BICs provide support and funding for BDS activities, and conduct business and value chain surveys. Capacity Building and Planning Programme on Economic Governance was a key aspect tied to the local planning processes encouraged through the LADP. In addition, the LADP works with stakeholders in three parts of the country where a designated UN agency acted as the area coordinator. The ILO is the area coordinator for the north, UNDP for the south and UN-Habitat for the central region. The economic recovery project is managed by a joint ILO-UNOPS unit based in Amman, Jordan, that is supported by ILO-ROAS in Beirut and ILO-HQ departments in Geneva.

Purpose, Scope and Clients of the Evaluation

The evaluation of this project is conducted as part of the United Nations Development Group (UNDG) Iraq Trust Fund (ITF) Steering Committee evaluation process. UNGD ITF has launched an evaluation process on a sampling of 37 projects and programmes funded by the ITF; where at least one project from each agency has been chosen for participation in the evaluation exercise.

Three evaluators, one international Team Leader and two Iraqi nationals, conducted the assessment. They began with a desk review of secondary data provided by the different UN agencies. Primary data was then collected through interviews with beneficiaries and key informants, including field visits to project sites to consult with partners, beneficiaries, and other stakeholders. The evaluators and the project team organized a Stakeholders Workshop to triangulate information received and gather comments and feedback on the draft findings. Overall the evaluation was sustained by the work of all concerned, although it was constrained by factors such as limited access to project sites within Iraq. This constraint was mitigated by the attendance of the main constituents in the stakeholders workshop.

The **purpose** of this formative evaluation process is two fold:

1. Examine the linkages between UN staff and project stakeholders regarding LADP management and administrative arrangements. As an area-based development programme, the LADP requires a high degree of coordination between multiple UN agencies and this configuration demands that attention is paid to effective coordination.
2. The second involves examining with project stakeholders the issues of project design, sustainability, ownership and project success. In part, this is achieved through the use of questionnaires designed for project beneficiaries and other LADP constituents.

The **primary client** for the evaluation is the project's funder, UNGD-ITF. Additional primary clients will include ILO-ROAS in Beirut, other UN agencies involved in the project, the Iraqi Ministry of Planning and Developmental Coordination, the Federal Government, and national and local partners inside Iraq. Secondary clients of the evaluation include various departments at ILO-HQ Geneva (SKILLS, MICROFINANCE, CODEV, and EVAL), as well as the ILO International Training Center in Turin.

The **scope** of the evaluation covers LADP programming activities from its initial start in May 2007 to the end of April 2010. The evaluation covers the three key programming objectives. Importantly, it provides a specific in-depth analysis of ILO's role in the LADP; a key focus is on the ILO's role in the economic recovery sector and as an area coordinator in the north.

The Team Leader focused on analysing the information gathered by the national consultants, he conducted project related activities outside Iraq via interviews and oversaw the stakeholder workshop in Amman. He also examined ILO's role in the LADP. The national evaluators focused on activities inside Iraq through visits and interviews with key stakeholders.

Evaluation Methodology

The methodological approach to this evaluation had three phases:

- A desk review of secondary data provided by ILO ROAS and other UN agencies.
- Field interviews to collect primary data and validation of the compiled information. Interviews were conducted with project beneficiaries and key informants, and field visits were performed to project sites for consultation with partners, beneficiaries and other stakeholders.
- A Stakeholder Workshop was held during the process to disseminate the findings, triangulate information received from stakeholders who were not visited on-site due to travel limitations and to collect comments, feedback and additional information.
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Main Findings & Conclusions

In terms of development results, the LADP has achieved its programming goals. The key elements of the LADP are to provide support to the local development process in six districts, drive the economic recovery component and coordinate 'fast-track' projects. These components were successful at the output level.

Immediate impact achievements of the LADP at the economic recovery output level was evidenced by 2685 local trainers, NGO managers and final beneficiaries were provided technical training on business development practices; 715 entrepreneurs were provided loans, including 156 women-owned businesses. In total, 3400 enterprises were supported and 463 businesses were created. Other economic recovery accomplishments comprise the establishment of three Business Information Centres and the Governorates Action Plans for Economic Recovery. The economic recovery plans compliment the six district plans that were prepared through participatory planning processes. It is important to mention that it is too premature to effectively

evaluate the impact achievement at the outcome level.

On the quality and effectiveness of the economic recovery activity, it was assessed that the ILO component was successful and had been able to implement LADP project activity throughout the country although there are some inequalities among areas. In the north the ILO benefited from having built strong relations with local stakeholders and ILO activities received wide support. A similar response was identified in the central region, while in the south there is a strong possibility that a negative perception of ILO activity was triggered by programming weaknesses. A critical factor contributed to the negative perception of the microfinance activities in the south. The Local Steering Committees in the central and northern regions participated in the monitoring evaluations of the microfinance exercise; this was not the case in the south.

Overall, the microfinance activity was successfully completed in terms of providing credit to individuals in all three project areas. In total, approximately 750 people received loans with each one being fully repaid. The project was also successful in reaching out to the most vulnerable groups with trainings and through synergies between business management and women entrepreneurship.

A key feature of the Local Economic Recovery intervention has been to work with the Chambers of Commerce and local industry to build capacity within local economic institutions and provide BDS. It was a conscious strategic decision to work with the legally mandated and most representative private sector organizations existing locally. The objective was not only to increase BDS in support of local enterprises, but also to institutionalise and anchor the initiative in the long-term through the Chambers of Commerce. As a result, there was very positive feedback, especially in the north, on the current capacity of the BICs. Overall, programme activity has made the three Chambers much more responsive to the needs of the small-

business community. Although not all BICs are performing to their full potential, the commitment of the local Chambers to make them more efficient, active and responsive to their constituents is supported by evidence. Another key achievement is the Governorates Action Plans for Economic Recovery. The plans have been adopted and are being implemented in the three Governorates.

As with the LADP in general, it is premature to speak of the sustainability of the economic recovery activities. It is difficult to say what will be the end result of the trainings, loans and capacity building that the component delivered. In the north, with their strong motivation to see the economic recovery activities succeed, it would appear the chances for long-term sustainability are the strongest. In this area the BIC is operating in an autonomous manner; although there is a desire to continue LADP collaboration. A similar assessment perhaps could be made in the central region. In the south the perception of a mixed performance clouds the possibility of making a prognosis on sustainability and ownership.

As the LADP area coordinator in the north, and as a member of the larger UN joint implementing team, the ILO input was found to be effective. Regarding ILO's role as an area coordinator, the work has been very satisfactory with stakeholders in the north being pleased with the support and guidance provided. The area coordinator was highly capable and fully engaged in the LADP.

Recommendations & Lessons Learned

Recommendations

For the ILO component of the LADP programme

1. In general, it is recommended that the ILO continue its support to improving the general circumstances that allow Iraq to advance its economic recovery. However, a second-phase LADP programming theme should be focused less on economy recovery and more on economic development and should further the

gains made in establishing the local planning capabilities in the six districts.

2. It is recommended that the ILO collaborate with LADP stakeholders to further explore economic related programming possibilities building on the achievements of the first phase of the LADP.
3. It is recommended that in the near future the ILO microfinance component and its associated training activities be specifically evaluated to better assess their impact which could be done through an independent review of the microfinance activities in southern Iraq. The objective being to gain insight to the dissonance regarding loan activity, assess the microfinance outcomes, and share the evaluation results with all concerned stakeholders.
4. While developing a next phase, it is recommended that the LADP work at the governorate level to develop adequate planning and implementation frameworks for monitoring progress towards MDGs.
5. For the next phase, recommendation is also made to work in the poorest region of the country that are not yet supported by the LADP.

Important Lessons Learned

1. All economic recovery inputs should be tailored to the needs of each region.
2. A programme can choose to invest, train and build capacity of local partners or rely on inputs of international experts who have the necessary skill-sets and experience; both have advantages. However, in a long-term context, the planning preference should be towards capacity building of local partners.
3. Projects and programmes need to operate within appropriate project cycles, supported by M&E plans guided by baselines, indicators, and targets. Projects and programmes hoping to nurture deep level change cannot expect to meet with success in short time-frames.