

Ex post evaluation

Funding Facility for Stabilization FFIS I and II, Iraq



Title	UNDP Funding Facility for Stabilization (FFIS) I and II, Iraq		
Sector and CRS code	Reconstruction relief and rehabilitation (CRS code: 73010)		
Project number	BMZ no. 2015 68 039; 2015 68 930		
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)		
Recipient/Project-executing	United Nations Development Programme (UNDP)		
Project volume/ Financing instrument	EUR 5 million each / BMZ budget funds		
Project duration	December 2015 – December 2017		
Year of report	2022	Year of random sample	2020*

*FFIS I included

Objectives and project outline

The objective of the FC measures at outcome level was to develop income-generating measures and strengthen basic and social infrastructure in the selected UNDP programme areas that had been liberated from IS (al-Anbar, Diyala, Ninewah and Salah al-Din) in Iraq. The measures focused on the FFIS components 1) light repairs of key public infrastructure and 2) support for jump-starting income opportunities. The overarching development objective (impact) was to make a contribution to stabilising and improving living conditions as a prerequisite for the return of internally displaced persons in the programme areas liberated from IS.

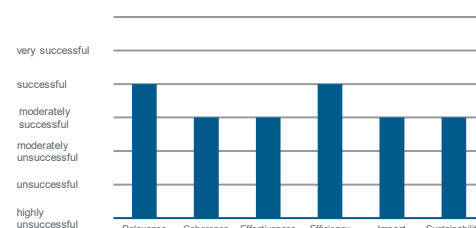
Due to a reassignment of funds by UNDP which had not been agreed beforehand, the FC funds earmarked for component 2 were almost completely allocated to component 1.

Key findings

By rehabilitating component 1 infrastructure, the projects contributed to the stabilisation efforts in Iraq in programme areas that were newly liberated from IS but did fall short of expectations overall. Due to the reassignment of funds, hardly any income-generating measures were implemented in component 2. The phases are rated as “moderately successful” for the following reasons:

- Due to the core problems, the destroyed infrastructure and thus the lack of future prospects, as well as the urgency in the context of the far-reaching displacements by IS in Iraq, the project approach seems to be relevant and appropriate from the perspective at that time and today.
- Internal coherence between the FC measures of the Funding Facility for Stabilization and other activities funded by the Federal Ministry for Economic Cooperation and Development (BMZ) is high despite a lack of selectivity in some cases. However, a lack of coordination mechanisms in the donor context led to untapped synergies in external coherence.
- Due to component 2 measures that were far below the target values or were largely not even implemented, deductions must be made in terms of effectiveness. Despite the reassignment of FC funds earmarked for component 2 to component 1, the target values were not able to be achieved here, either.
- A time schedule that was too optimistic and cooperation procedures and processes that had not yet been established at the time reduced efficiency. However, efficiency is still rated as appropriate in view of the volatile security situation. Retrospectively, the reassignment of funds seems sensible regarding allocation efficiency and is rated positively.
- Despite large attribution issues regarding the impact of the projects on the number of refugees returning to the intervention areas, a stabilising effect of the infrastructure measures also seems plausible from today's perspective.

Overall rating:
moderately successful



Conclusions

- The FC measures provided an important foundation for a broad impact – in the overall context of the Funding Facility for Stabilization (FFS), a total of 2,678 stabilisation projects have been implemented in Iraq since 2015, benefiting more than 11 million people.
- Realistic evaluation of indicators is essential to make allowance for difficult project contexts.
- In retrospect, the earmarking of the FC funds proved to be unsuitable for the complex dynamic Iraqi context. It is easier to respond to changing framework conditions with a more flexible, open approach.
- Delays in stabilisation activities in a fragile context due to mine clearing should be scheduled, even at the conception stage of new projects.

Evaluation according to DAC criteria

Overall rating: 3

Ratings:

Relevance	2
Coherence	3
Effectiveness	3
Efficiency	2
Impact	3
Sustainability	3

Due to the parallel implementation period, the identical financing components and the continuous joint reporting of FFIS I and II, it is not possible to sufficiently differentiate the impacts of the projects, meaning that the phases are not separately assessed in this evaluation. The ratings are therefore identical and reflect a satisfactory result overall. By rehabilitating component 1 infrastructure, the projects were able to make a contribution to the stabilisation efforts in Iraq in programme areas that were newly liberated from IS. However, they fell short of expectations, even if the favourable aspects prevailed overall. In view of the major destruction and the resulting displacements as well as the poor supply situation of the local people, the evaluation paid particular attention to the DAC criteria of relevance, effectiveness and impact.

General conditions and classification of the project¹

The occupation of around one third of Iraqi territory by IS (“Islamic State”) by summer 2014 resulted in the displacement of 3.3 million Iraqis. From 2015, the Funding Facility for Stabilization (FFS) was intended to respond to immediate needs of the population in the areas of Iraq recently liberated from IS and to support the stabilisation efforts of the Iraqi government. FFS has meanwhile been supported by 30 donors with a total budget of around USD 1.46 billion and consists of two financing facilities. The first is the Funding Facility for Immediate Stabilization (FFIS), which covers a total of four components: 1) light repairs of key public infrastructure, 2) support for jump-starting income opportunities, 3) capacity-building of government agencies, and 4) community reconciliation projects to promote social cohesion. The second FFS window is the Funding Facility for Expanded Stabilization (FFES), which is primarily intended for reconstruction and rehabilitation of medium-sized infrastructure. While FFIS focuses on short-term measures with urgent needs, FFES pursues a more structure-building, development-oriented approach. As part of this evaluation, consideration was only given to the activities of FFIS phases I and II financed by FC funds which were implemented by UNDP (United Nations Development Programme) in cooperation with the state structures at the local level. The implementation period of FFIS I and II runs from the beginning of December 2015 to the end of December 2017. The end of FFS is currently planned for December 2023.

Almost two decades after the start of the Iraq war in 2003, the country continues to face increasing political instability and fragmentation, geopolitical risks, growing social unrest and a deepening gap between the state and its citizens.² The COVID-19 pandemic has also had far-reaching impacts on the economic, social, environmental and political climate in the country since the beginning of 2020. Together with other factors, such as the fall in oil prices, the pandemic has contributed to a 69% drop in government net income, a 16% drop in household income, a rise in gender-specific violence, increasing food insecurity, a variety of setbacks in education and healthcare, and rising security concerns.³

¹ Due to existing evaluations of joyn-coop (2020) and UNDP (2021), only a brief report is provided at this point.

² Mansour W. and Celiku B. (2020): Breaking Out of Fragility – A Country Economic Memorandum for Diversification and Growth in Iraq. The World Bank (30 September 2020). Online: <http://documents1.worldbank.org/curated/en/573051601533287890/pdf/Breaking-Out-of-Fragility-A-Country-Economic-Memorandum-for-Diversification-and-Growth-in-Iraq.pdf>.

³ UNDP (2021): Sustainable Recovery from COVID-19 in Iraq: Key Findings Online: <https://undp-iraq.shorthandstories.com/seja/index.html>.

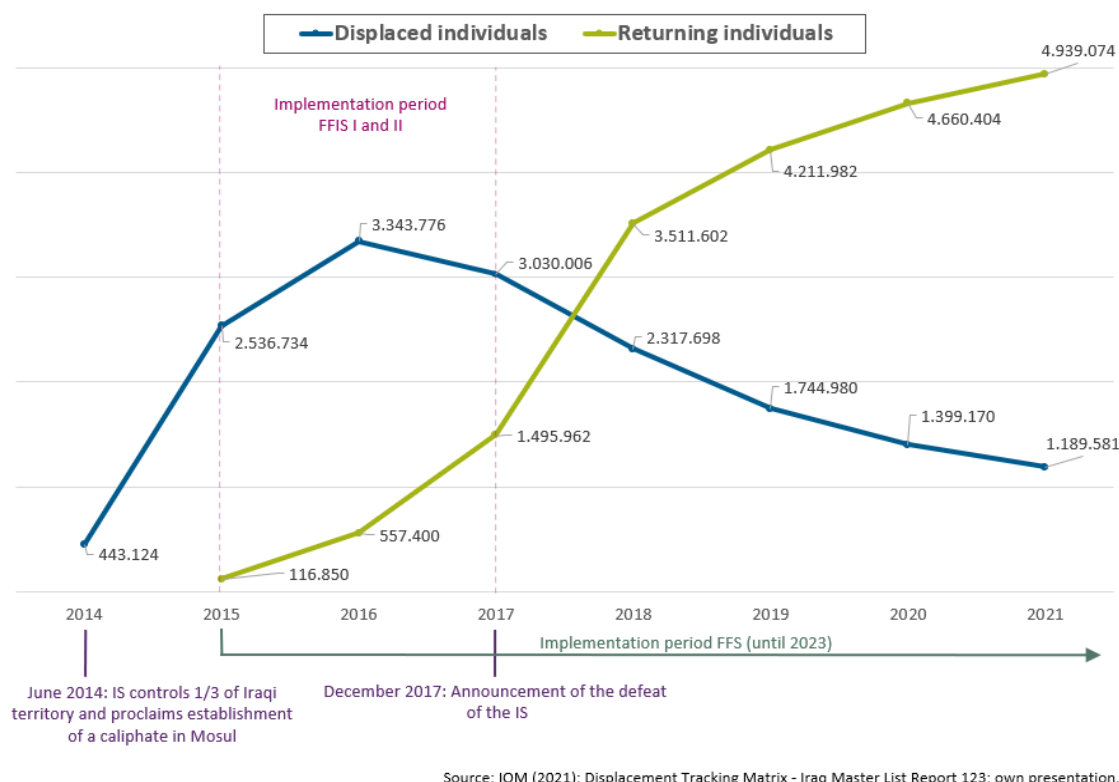


Figure 1: Number of displaced and returning individuals, 2014–2021.

Relevance

As a result of the territorial conquests and the associated violence and destruction by IS, a total of 5,836,350 people, around 15% of the country’s total population, were displaced from their home regions between 2014 and 2017.⁴ The development of displacement over time, including people returning from 2014 to 2021, is shown in Figure 1. The scale and speed of displacement following the crisis made it a major challenge for the Iraqi Government to provide essential services, especially in newly liberated areas where infrastructure destruction was the greatest. In the seven most affected governorates al-Anbar, Babil, Baghdad, Diyala, Kirkuk, Ninewah and Salah al-Din, losses across all sectors (as of December 2017) were estimated at USD 45.7 billion. The most affected sectors were the social sectors (residential buildings, health and education) with losses of around USD 20 billion and the infrastructure sector (electricity, oil and gas, information and communication technologies, water and sanitation/hygiene, transport and municipal services) with losses of around USD 17 billion. Overall, the World Bank expected a total requirement of around USD 88 billion as part of the reconstruction.⁵

The successes achieved in alleviating poverty between 2007 (22.4% poverty rate) and 2012 (18.9% poverty rate) were wiped out and brought the country back to around the same level as in 2007.⁶ Unemployment among young people in particular (2014: 20.13%; 2017: 25.5%; 2019: 25.16%)⁷ is a major problem. If internally displaced people are not given future prospects of returning to stability, some groups, especially youth, may become violent and conflicts may be reignited.⁸ Thus, the most important factors for

⁴ IOM (2018) Iraq Displacement Crisis 2014–2017.

⁵ World Bank (2018): Iraq Reconstruction and Investment – Part 2: Damage and Needs Assessment of Affected Governorates.

⁶ Ibid.

⁷ World Bank (2021): Unemployment, youth total (% of total labor force ages 15–24) (modeled ILO estimate) – Iraq. Online: <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=IQ>.

⁸ World Bank (2018): Iraq Reconstruction and Investment – Part 2: Damage and Needs Assessment of Affected Governorates.

stabilising the region are guaranteeing security and providing basic public services and infrastructure.⁹ Phases FFIS I and II addressed precisely this core problem with the dual-action approach based on infrastructure rehabilitation and income-generating measures.

The executing agency UNDP (United Nations Development Programme) has been operating in Iraq since 1976 and thus has many years of experience and a broad network in the region. The choice of UNDP as the executing agency also seems appropriate from today's perspective, especially as there was no suitable alternative executing agency in the Iraqi context at the time of the project appraisal (PA). The FC contributions of the two projects considered as part of this EPE were designed as co-financing for ongoing FFIS activities in Iraq. In addition to Germany, the USA, the Netherlands and the EU are among the biggest donors to the FFS.¹⁰ Iraq is not one of the traditional partner countries for German development cooperation due to its stage of development and the large number of oil and gas deposits. However, as a result of the crises and displacements, Germany has been working with Iraq since 2014 as a partner for nexus and peace. The focus of this cooperation was, among other things, on supporting the (Syrian) refugees and internally displaced persons in the country, which is also addressed by the objectives of the FFIS I and FFIS II FC projects.¹¹

At the time of the PA, the objective of the FC measures at outcome level was to provide employment opportunities in the host municipalities by means of reconstruction measures for the destroyed basic infrastructure in the liberated areas. Small business owners received investment grants to restart their businesses. The measures focused on areas with a high refugee presence. However, since this formulation of objectives was considered too broad, convoluted and ambitious and thus no consistency was guaranteed in the target system, the target system was subsequently adjusted as part of the EPE. The objective of the FC projects at outcome level underlying this EPE is thus to expand income-generating measures and strengthen basic and public infrastructure in the UNDP programme areas liberated from IS (al-Anbar, Diyala, Ninewah and Salah al-Din) in Iraq. The FC projects were intended to implement measures from the overarching UNDP-FFIS programme's first two components 1) light repairs of key public infrastructure and 2) support for jump-starting income opportunities. Given the rapidly changing requirements in the Iraqi context, the earmarking of FC funds for components 1 and 2 no longer seems appropriate from today's perspective, primarily due to the increased coordination effort.

The originally defined objective at impact level was to make a contribution to stabilising Iraq and improving livelihoods in the liberated areas as a prerequisite for the return of internally displaced persons. The level of ambition for the project to achieve stabilisation throughout the country seemed too high – which is why the target formulation for the chosen project areas was narrowed in order to enable more valid conclusions to be drawn about the impacts. The development policy objective underlying this EPE (impact) is thus to make a contribution to stabilising and improving living conditions as a prerequisite for the return of internally displaced persons in the programme areas liberated from IS.

The target group included the local population, returnees and internally displaced persons in the programme areas. The associated project documents repeatedly refer to the “do-no-harm” principle, but there is little indication of how this has been incorporated into the projects in practice. Promoting social cohesion (especially reduction of conflicts between formerly IS-affiliated families/individuals and the rest of the population) will be prioritised under the 4th FFIS component, but is not part of the FC projects considered here.

The main factors that promote or prevent the return of internally displaced persons are related to the security situation and the provision of services at their place of origin in comparison with conditions in the areas of displacement.¹² Accordingly, the results chain underlying the projects was based on the assumption that the rehabilitation of basic infrastructure (component 1) will restore the population's supply of basic services in the regions of origin, which is a basic prerequisite for a return. Against the background of the extensive destruction in Iraq in particular, this also seems sensible from today's perspective, as does

⁹ Mansour, R. (2018): Rebuilding the Iraqi State: Stabilisation, Governance, and Reconciliation. European Union, European Parliament's Committee on Foreign Affairs.

¹⁰ UNDP (2021): Evaluation of the Funding Facility for Stabilization in Iraq – Volume 1: Final Evaluation Report.

¹¹ Federal Ministry for Economic Cooperation and Development (BMZ) 2021: Germany is supporting reconstruction and reforms. Online: <https://www.bmz.de/en/countries/iraq>.

¹² World Bank (2018): Iraq Reconstruction and Investment – Part 2: Damage and Needs Assessment of Affected Governorates.

the focus on the newly liberated areas of al-Anbar, Diyala, Ninewah and Salah al-Din, in which the destruction was the most serious and the needs in all areas were therefore the most acute. Due to the levels of destruction and presence of explosives, the accessibility of the areas and the speed of the explosives clearance work by UNMAS (United Nations Mine Action Service) influenced the selection of the programme areas and infrastructure measures. From the outset, cooperation between UNDP and UNMAS was envisaged to ensure the clearance of sites.¹³ Furthermore, the expansion of income-generating measures (component 2) through CfW and investment grants to companies was intended, on the one hand, to alleviate financial hardship and provide prospects, which can also contribute to improving living conditions. However, it is questionable to what extent the short-term financing of income-generating measures can have a sufficient effect in light of the regions that have been partially deserted as a result of displacement and whether there is sufficient demand. For this reason, component 2 is classified as being of secondary importance for target achievement.

The FFS operates under the leadership of the Iraqi government, which sets the priorities for stabilisation initiatives based on the needs of the respective sites. UNDP carries out the rehabilitation work according to this prioritisation. Contractors are chosen through a competitive tendering process, and each project is closely monitored to make sure it meets specifications.¹⁴ The governorate and municipal levels are also directly involved in this planning and implementation process. All planned individual measures also require the consent of provincial control cells, in which the responsible departments are represented at national and governor level under the chairmanship of the respective governor.¹⁵ It was not possible to conclusively determine to what extent the target group was intended to be or was directly involved in the decision-making process.

Against the background of the widespread displacements and destruction by IS in Iraq, the FC project's approach seems appropriate from the perspective at that time and today, and was fundamentally suitable for reaching the target group due to the focus on newly liberated areas. Despite the measures under component 2, some of which are classified as less relevant, the core problem and the urgency as a whole were properly identified and adequately addressed from today's perspective. The relevance of the projects is therefore rated as high.

Relevance rating: 2

Coherence

With regard to internal coherence, in addition to the FFIS project considered here, the Federal Ministry for Economic Cooperation and Development (BMZ) also finances other FFIS and¹⁶ FFES projects of the FFS as well as projects under the Iraq Crisis Responses and Resilience Programme¹⁷(ICRRP). In addition, the German Federal Foreign Office (AA) also funds FFIS projects that concentrate on components 3 and 4, i.e. capacity building for municipalities and social cohesion. With contributions that now amount to USD 371.8 million, Germany is the¹⁸ second largest bilateral donor of FFS after the USA.¹⁹

Unlike FFIS, FFES projects concentrate on the rehabilitation of major infrastructure projects with a volume of more than USD 2 million and an implementation period of two to three years.²⁰ This includes, for example, hospitals or universities, but also bridges or large power plants, which are intended to achieve a sustained supply of education, health and basic services. In addition, FFES projects should also provide employment opportunities and thus lay the foundations for longer-term economic growth. While FFIS therefore funds short-term measures to address urgent needs of a more humanitarian nature, FFES represents an approach that focuses more on structure building, with all FFS components having a

¹³ UNDP (2021): Evaluation of the Funding Facility for Stabilization in Iraq – Volume 1: Final Evaluation Report.

¹⁴ UNDP (2021): FFS Programme Summary. Online: <https://www.iq.undp.org/>.

¹⁵ Joyn-coop (2020): Mid-term evaluation of the German contribution to the FFS and ICRRP in Iraq.

¹⁶ BMZ no. 201618644; 201618818; 2017186262; 2017408363; 2017499444; 201818400; 201849777; 201918655

¹⁷ BMZ no. 201568724; 201568922

¹⁸ The financing amount refers to the total funds made available to the FFS by both the Federal Foreign Office and the Federal Ministry for Development Cooperation and Development.

¹⁹ UNDP (2020): Funding Facility for Stabilization – 2020 Annual Report.

²⁰ Joyn-coop (2020): Mid-term evaluation of the German contribution to the FFS and ICRRP in Iraq.

complementary effect due to the various conceptual orientations in order to support a holistic stabilisation process in Iraq. The two FFIS projects I and II evaluated here behave complementary to each other in their geographical orientation. While the focus of the first FC co-financing was on the provinces of Salah al-Din and Ninewah, the second phase mainly involved implementing measures in the province of al-Anbar.

UNDP launched the ICRRP in 2014 in response to the crisis at the time in order to offer support as an emergency aid programme. Since 2016, it has also been co-financed by the Federal Ministry for Economic Cooperation and Development (BMZ) using FC funds. However, the objectives also include building long-term resilience and strengthening social cohesion. Initially, the ICRRP focused on Syrian refugees and Iraqi internally displaced persons in the Kurdish-populated part of Northern Iraq. Synergies between the projects were lost as a result of a strategic adjustment to the geographical orientation of the ICRRP in the Iraqi areas, which were also newly liberated and which fell during the FFS implementation period. The degree of differentiation between ICRRP and FFS or FFIS has been gradually decreasing, as the focus of the measures remains on the basic services and livelihoods to this day.²¹

In the area of TC, GIZ has also been supporting communities in Northern Iraq since 2014 in building infrastructure, offering psychosocial support and establishing short-term employment measures. In addition, further training and vocational qualifications, support for start-ups, as well as internships and jobs, ensure that local people have better opportunities on the labour market.²² Overall, the programmes and/or projects in Iraq funded by German DC complement each other well, interacting at various points and within the framework of different components, which speaks for a high level of internal coherence.

With regard to external coherence, the FC project measures had a subsidiary effect on the stabilisation and reconstruction efforts of the Iraqi government, which provided over USD 480 million of its own funds to the “Iraq Reconstruction Fund”, for example. FFIS I and II were embedded in the objectives of the “National Development Plan 2018–2022”, which, in addition to laying the foundations for good governance and economic reforms, also aims to restore communities affected by the displacement crisis and the loss of livelihoods.²³ The reconstruction of Iraq after the conflict with IS was also supported by a large number of initiatives and donors and combined in the “Iraq Humanitarian Response Plan” of June 2015. The Iraq section of the “Regional Refugee and Resilience Plan” (3RP²⁴) also included measures to strengthen the resilience of host communities and the ability of the government to provide essential services. The 3RP consists of various country sections developed under the leadership of the respective national authorities with the support of the United Nations and local NGOs. The FFIS objectives also complemented the “Iraq Reform, Recovery and Reconstruction Fund” (I3RF) multi-donor trust fund managed by the World Bank, which has only existed since the end of 2018, with the aim of providing a platform for co-ordinated financing and dialogue on reforms, reconstruction and development.

During the implementation period of FFIS I and II, there was still no suitable mechanism to adequately coordinate the reconstruction and stabilisation efforts in Iraq, especially as KfW did not yet have its own regional office in Iraq at the time and direct dialogue opportunities with other donors were therefore limited.²⁵ Even today, the multitude of donors (but also increasing donor fatigue) and competition for funding between aid organisations make it difficult to find a coordinated, common response to the crisis, utilise synergies and facilitate collective learning.

Overall, the internal coherence between the individual FFS components can be regarded as high, although the degree of selectivity was sometimes lost between various FC projects such as the FFIS and ICRRP due to a strategic adjustment during the implementation period. However, FFIS I and II in particular complemented each other due to their geographical focus on different areas. The FC projects’ external coherence is also high, as they support the Iraqi government’s own efforts in a targeted manner in line with the principle of subsidiarity. However, the lack of a coordination mechanism between the donor community and aid organisations, as well as the high level of competition for donor funding that is too low for

²¹ Joyn-coop (2020): Mid-term evaluation of the German contribution to the FFS and ICRRP in Iraq.

²² GIZ (2021) Iraq. Online: <https://www.giz.de/en/worldwide/52758.html>.

²³ Ministry of Planning Iraq (2018): National Development Plan 2018–2022. Online: <https://mop.gov.iq/en/page/view/details?id=88>.

²⁴ Regional Refugee & Resilience Plan 2015–2016 in Response to the Syria Crisis.

²⁵ Joyn-coop (2020): Mid-term evaluation of the German contribution to the FFS and ICRRP in Iraq.

the needs, have led to potential synergies remaining untapped. These trade-offs lead to a satisfactory evaluation of coherence with overall positive results.

Coherence rating: 3

Effectiveness

The outcome-level objective of the FC projects underlying this EPE was to expand income-generating measures and strengthen the social and basic infrastructure in the UNDP programme areas in Iraq that were liberated from IS. As part of the evaluation, the formulation of the CfW indicator was adjusted in addition to the formulation of the objectives, as the original formulation “access to” does not reflect any use, but is to be measured at outcome level. Furthermore, an additional indicator was formulated to measure the current use of infrastructure, as indicator 1 is generally more likely to be based at output level and is used here as an approximation for measuring the outcome level. The target achievement is assessed using the following indicators:

Indicator	Target value at the time of the project appraisal	Actual value at final inspection (2018); Actual value at EPE (2021)
(1) Investment measures in basic infrastructure as number of projects realised	30 (FFIS I) 20 (FFIS II)	26 (FFIS I); not achieved. 12 (FFIS II); not achieved.
(2) New: The basic infrastructure created by investment measures continues to exist and is in an appropriate condition three years after completion.	80%	According to UNDP: 100%; achieved. ²⁶
(3) New: Employment days used within the framework of short-term cash-for-work measures Old: Access to short-term employment opportunities (cash-for-work)	1,500 employment days	0 (FFIS I); not achieved. 310 (FFIS II); not achieved.
(4) Access to investment grants for small enterprises	400 (FFIS I) 250 (FFIS II)	Indicator was not applied because measures were not implemented and therefore the target achievement of this indicator was not assessed.

Although Ramadi, the capital of the province of al-Anbar, was liberated as early as December 2015, refugees did not return until the end of March 2016. Due to the massive levels of destruction, the lack of services and the widespread contamination with explosives, the refugees were faced with many difficulties on their return, which is why it was not possible to implement the measures as planned, primarily in Ramadi. The measures were distributed more widely across the other geographic programme areas.²⁷ From today’s perspective, however, this should not be considered detrimental, as the demand for rehabilitated infrastructure and the restoration of basic services in the other newly liberated provinces was also high. Of the 38 infrastructure measures financed overall, a total of eight projects in Salah al-Din, six projects in al-Anbar, ten projects in Ninewah and two projects in Diyala were implemented under FFIS I (component 1).

²⁶ As part of the desk review, it was not possible to assess the information provided by UNDP regarding the condition of the infrastructure measures. The list sent by UNDP can be found in the appendix.

²⁷ UNDP (2016): FFIS Quarterly Progress Report Q2 2016.

Under FFIS II (component 1), one project was implemented in Salah al-Din, eight projects in al-Anbar and three projects in Ninewah.²⁸

In the **province of al-Anbar** the women's dormitories were rebuilt in the city of **Ramadi**, allowing up to 1,000 female students to return to the university. The procurement and installation of 73 generators in the Tameem district gave 36,500 people in the western part of the city short-term access to electricity. In addition, a total of 220,000 people in **Fallujah** gained access to drinking water thanks to the rehabilitation of the local water supply at the Al Azragiyah complex. In the Nazzal district, the city's basic health centre, which is the only one with HIV prevention and care centres, was rehabilitated, giving 80,000 people access to healthcare. In the city of **Karma**, two water treatment plants and four water pump stations were also refurbished, which meant an improved water supply for a total of 20,300 people. In addition, three basic health centres were rehabilitated, benefiting 7,500 people.

In the neighbouring **province of Salah al-Din**, transformers were provided for the city of **Shergat's** electricity grid, among other things, which secured the electricity supply for 300,000 people in conjunction with the rehabilitation of the city's two most important substations. In **Tikrit**, the water treatment plant near Tikrit University was rehabilitated, giving 24,000 people (including university students) direct access to clean drinking water. By renting an excavator, the Tikrit Water Directorate was able to carry out repairs to the water network at short notice, ensuring the water supply for 65,000 residents. Five basic health centres were rehabilitated here as well and three ambulances were procured, benefiting a total of 45,000 people.

Further north in the **province of Ninewah**, the Educational Directorate in **Tel Kaif** was renovated, which allowed 200 local employees to return and restart the city's education system. Furniture was procured for a total of nine basic health centres as well as for the Health Sector Directorate, and a warehouse for electrical equipment was built to restore a power line. Furthermore, a power supply project planned before the outbreak of the conflict was completed. Thanks to a 45km long power line from Al Tawinat to Sinuni and a mobile substation, some of the western region of the **Ninewah province** received electricity for the first time, including people from Yazidi and Arabic communities. The local water treatment plant in **Qayara** was rehabilitated, securing the drinking water supply for a total of 80,000 people. In the easternmost **province** of the programme areas, **Diyala**, the city's Water Directorate was rehabilitated in the city of **Sa'adiyah**, and 10 transformers were procured for electricity management.

UNDP assessed all infrastructure measures implemented under FFIS I and II as part of the evaluation with regard to their current condition and potential damage or misuse. According to UNDP, all infrastructure measures were still in use and in good condition at the time of the EPE and were used for their intended purpose.

As part of component 2 (support for jump-starting income opportunities) of the FFIS projects, only clean-up work was carried out at Anbar University in Ramadi as part of a CfW measure (indicator 3), which led to the creation of 310 temporary jobs (duration: 90 days). With an average family size of 5.5 people, around 1,705 people benefited from the measure due to the wages paid. However, a two-month short-term employment opportunity and the associated payment is hardly suitable for adequately alleviating emergency situations. The basic infrastructure measures implemented also employed and funded a further 10–50 people (depending on the type of project). According to the programme proposal, a suggestion was made to plan CfW projects on a larger scale (indicator 3), along with funding for small businesses (indicator 4). At the start of the FC project terms, however, there was initially little opportunity to spend the funds accordingly. In some cases, there were ongoing security threats within the programme area and delays while clearing explosives. Accordingly, the volatile security situation has had a strong impact on target achievement. UNDP therefore used the FC funds available from the two projects for further infrastructure measures. KfW was not notified of the reassignment beforehand. However, it was necessary according to UNDP, as component 2 had already been adequately funded by other donors, and the conditions for the refugees' return first had to be established with the increased restoration of basic infrastructure.

The strengthening of the local economy envisaged by component 2 (indicator 4) was therefore not financed with FC funds and the target achievement is consequently not included in the effectiveness

²⁸ All subsequent information on the implemented projects is based on information from the final inspection (2018).

evaluation. Accordingly, the projects were only able to achieve a marginal expansion of income-generating measures (indicator 3). However, the FC projects primarily contributed to strengthening the basic and social infrastructure within the framework of component 1. Despite the reassignment of FC funds from component 2 to component 1, the target values pursued here (indicator 1) fell short to a significant degree. Of the 30 infrastructure measures envisaged, only 26 were implemented under FFIS I, while only 12 out of 20 were implemented under FFIS II, which corresponds to a total of 38 infrastructure measures instead of the 50 that were planned. Overall, the coverage ratio of the target group thus corresponded to 628,000 beneficiaries for FFIS I and 510,350 for FFIS II.

There is no question, however, that the target group benefited from the implemented infrastructure measures. In the newly liberated programme areas, it was thus possible to provide aid in the social (health and education) and infrastructure sectors (electricity and water) most affected by the destruction and to improve or rebuild basic services.

The effectiveness of the FC project's target achievement is varied. While indicators 1 and 3 remained far below the target values, the target values for indicator 2 were exceeded. However, the latter results are perception-based and could not be verified as part of this evaluation due to the lack of on-site inspection. Due to the reassignment of funds, the intended measures for component 2 were almost entirely unimplemented, meaning that the assessment of indicator 3 is weighted less in the overall view, and indicator 4 is not assessed at all. Although the target values for the infrastructure measures could not be achieved despite the reassignment of funds, the financed infrastructure measures generally contributed to the reconstruction of the social and basic infrastructure. Against the backdrop of the highly dynamic and consistently volatile intervention context in the Iraqi regions, which had just been liberated from IS and in which the measures were implemented, the effectiveness of the FC projects is only just rated as satisfactory, as the positive results prevail only marginally. The evaluation therefore also takes into account the lower level of ambition in such a fragile context.

Effectiveness rating: 3

Efficiency

From today's perspective, the time schedule (16 months) set at the time of the PA can be described as very optimistic and was exceeded by 8 months. During the course of the programme, there were delays, in particular due to the initially persistent security threats (including Ramadi and Fallujah) and incipient difficulties in eliminating explosive remnants of war (explosives) due to their quantity and their technologically advanced standard. Unique or case-specific solutions in particular took a lot of time here, as it was not possible to proceed with conventional mine clearance methods. Due to the extensive destruction, it could have been anticipated at the time that the clean-up and, above all, mine clearance work by UNMAS would take more time and that the accessibility of the programme areas would not be ensured immediately after their liberation.

The accumulated FC funds covered the investment costs and their execution with approx. USD 7.88 million. This involved an investment of USD 7.54 million in component 1 and of USD 336,635 in component 2. The remaining funds amounting to USD 2.83 million were spent on project management costs and the standard UNDP administrative cost margin of 8%.

Despite many years of experience in the Iraqi context, the strong networking and the specific knowledge that UNDP was able to draw on, there were compromises with regard to efficient coordination and coordination mechanisms. For example, procedures and processes in the cooperation between UNDP and KfW had not yet been adequately established and, unlike today, there were still no standard operating procedures.²⁹ There were also some gaps in communication and documentation due to high staff turnover. Overall, however, the implementation by the executing agency is still rated as satisfactory, taking into account the many challenges that had to be overcome due to unforeseeable changes in the framework and security conditions during the course of implementation. In particular, the strong local presence and proximity to the target group (some UNDP employees were among those displaced themselves or living in the

²⁹ First established in 2020.

programme areas, for example) made UNDP a key partner in the context of the FFIS project for KfW, which was dependent on information from local staff due to the volatile security situation.

The reprioritisation of the measures led to inefficiencies in some areas. The investment grants for small businesses under component 2 were already being prepared, meaning that the work carried out here was lost, although it is plausible to assume that some of these losses were reclaimed during the subsequent phases of FFIS. In complex fragile contexts, a more flexible approach offers advantages, making it possible to provide a needs-based response to dynamic situations, thus guaranteeing an effective allocation of measures. Accordingly, the original earmarking did not result in greater added value and the use of this instrument should always be critically scrutinised in dynamic contexts.

The time frame for the tendering and awarding procedures for the infrastructure measures and the allocation mechanism are considered appropriate considering that comprehensive checks such as security, reference, financial capacity and liquidity checks are carried out before project selection and awarding of contracts. Depending on the context, there were delays due to lengthy approval processes, as there was no government agency in individual governorates overseeing cross-sectoral activities. At the same time, service tenders to which local companies were able to apply were initially partly based on estimates by representatives of the Iraqi government or governorates, which were not always realistic.³⁰ The subsequent revisions took time, and the UNDP engineers later developed the specifications together with the department managers, which made the process more efficient. UNDP also reported that, at the beginning of implementation, there were some issues with finding qualified construction companies and workers, as they had also left the IS-controlled areas.

Taking into consideration the fact that the areas formerly occupied by IS were only recaptured shortly before the start of implementation as well as the associated institutional challenges in the execution of the projects (including the lack of government agencies), the evaluation is carried out in accordance with a contextually adapted requirements for efficiency. Against this background, the implementation delays seem to be appropriate, so that with an allocation efficiency rated as good overall, the efficiency is rated as good overall.

Efficiency rating: 2

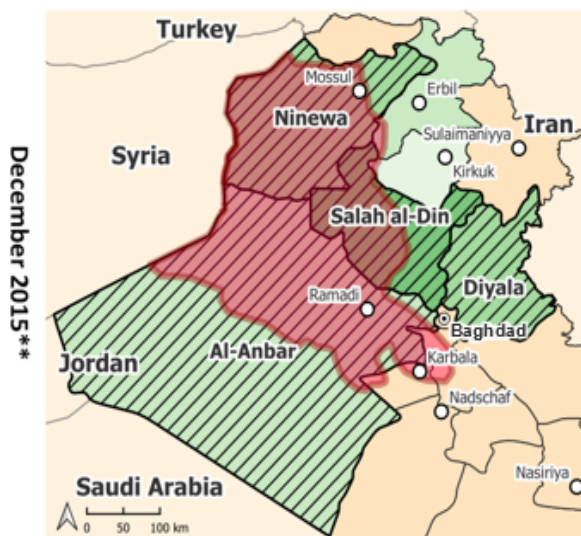
Impact

The development objective of the FC projects underlying this EPE was to make a contribution to stabilising and improving living conditions as a prerequisite for the return of internally displaced persons in the programme areas liberated from IS. As part of the EPE, the indicator was shifted from the outcome to the impact level, and the indicator's target formulation was adjusted, as stabilisation is already mapped by the objective at impact level. Target achievement at the impact level is summarised in the table below:

Indicator	Target value	Actual value at EPE (2021)
(1) New: Return of refugees to their home region*	700,000 people (FFIS I) 350,000 people (FFIS II)	1,424,633 (FFIS I); achieved. 1,361,305 (FFIS II); achieved.
Old: Stabilisation and return of refugees to their home region		

*) UNDP relies on data from IOM (International Organisation for Migration), which it collects through a broad network of over 1,300 informants, government registration data and partner agencies.

³⁰ UNDP (2021): Evaluation of the Funding Facility for Stabilization in Iraq – Volume 1: Final Evaluation Report.



Legend

- ⊙ Capital
- Cities
- ◆ FFIS I and II Individual measures
- ▨ FFIS I and II Programme areas
- ▨ Areas under IS control (June 2014)*

Number of individuals returned to their regions of origin by governorate

- Not specified
- < 5.000
- 5.000 - 50.000
- 50.000 - 100.000
- 100.000 - 300.000
- 300.000 - 500.000
- 500.000 - 1.000.000
- 1.000.000 - 1.500.000
- 1.500.000 - 2.000.000



Sources: GADM; *Harvard Humanitarian Initiative (2020): Never forget - Views on Peace and Justice within conflict-affected communities in Iraq; **IOM Iraq (2015): Displacement Tracking Matrix Round 34; ***IOM Iraq (2017): Displacement Tracking Matrix Round 86; ****IOM Iraq (2021): Iraq Master List Report 123 (August - September 2021); own presentation.

In December 2017, the defeat of IS was announced, therefore areas under IS control are only shown in the 2015 representation.

Figure 2: Number of individuals who returned to their regions of origin by governorate.

The target values for the number of returnees were far exceeded, as shown by the visualisations in Figure 2 with a timeline. For example, the number of returnees increased steadily and, in 2018, exceeded the number of displaced individuals for the first time. However, given these figures, there is also a large issue with attribution, as it can hardly be assumed that CfW and 38 infrastructure measures were able to lead to this scale of return, with many other donors simultaneously funding measures within the same intervention context. The proportion of funds provided by FC that actually contributed to the refugees' return cannot be assigned causally and can only correspond approximately. Nevertheless, it is plausible to derive a contribution from the social and basic infrastructure as an incentive for return, as well as better access to basic services through the projects and thus an improved supply and living situation for the target group.

The CfW measures implemented, which accounted for only around 4.27% of the total investment for the implementation, were also able to provide the beneficiaries with short-term financial aid and help them to clear debris and rubble. However, unemployment, especially among young people, remains high (2019: 25.16%³¹). Temporary employment measures only have a short-term positive impact on the living conditions of the target group, so it cannot be assumed that the measures under component 2 will have a stabilising effect. This meant that the project approach, which was actually holistic, was not able to implement the desired effects.

In comparison with short-term employment measures, infrastructure projects have more structural effects within the project context.³² It therefore seems plausible that component 1 has made a positive contribution to stabilisation in the programme areas, as the provision of basic public services and infrastructure per se are among the most important factors³³ for stabilisation and provide sufficient incentives for refugees to return. It also helps to create the impression of a return to normalcy which in turn supports the peace process.³⁴ However, it is unclear to what extent particularly disadvantaged and vulnerable population groups were taken into account, as the non-specific target group did not make it possible to address the individual needs that existed alongside the general needs of the entire target group (for example, reconstruction of basic services, employment). Since the project areas were selected in line with liberation events, it is also unclear to what extent special dynamics between population groups could be taken into account here.

The evaluation was unable to conclusively assess the extent to which the FFIS I and II measures were sensibly embedded in an overarching DC programme. Although a regional project is mentioned in the associated project documents, it is no longer clear at this point in time whether it is a DC programme, which is most likely due to the seriousness of the situation in Iraq at the time and the need to make quick decisions and provide funds.

As part of the UNDP FFS programme, a total of 2,678 stabilisation projects have been able to benefit more than 11 million people in the provinces of al-Anbar, Diyala, Kirkuk, Ninewah and Salah al-Din since 2015.³⁵ Therefore, the entirety of the FFS measures had a broad impact, to which FFIS phases I and II also contributed. The UNDP has already replicated the FFS approach in other country contexts, for example in Libya³⁶, also taking into account lessons learned from the Funding Facility for Stabilization in Iraq.

Due to the large issue of attribution and the short-term effect of the employment measures under component 2, the impact is assessed as satisfactory if the measures under component 1 tend to have a stabilising effect.

Impact rating: 3

³¹ Worldbank (2021): Unemployment, youth total (% of total labor force ages 15–24) (modeled ILO estimate) – Iraq. Online: <https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=IQ>.

³² Bachmann, J., & Schouten, P. (2018): Concrete approaches to peace: infrastructure as peacebuilding. *International Affairs*, 94(2), 381–398.

³³ Mansour, R. (2018): Rebuilding the Iraqi State: Stabilisation, Governance, and Reconciliation. European Union, European Parliament's Committee on Foreign Affairs.

³⁴ Mashatt, M. (2008): Conflict-Sensitive Approach to Infrastructure Development (Vol. 197). United States Institute of Peace.

³⁵ UNDP (2020): Funding Facility for Stabilization – 2020 Annual Report.

³⁶ UNDP (2021): Stabilization Facility for Libya. Online: <https://www.ly.undp.org/content/libya/en/home/projects/Stabilization-Facility-for-Libya.html>.

Sustainability

At the time of the EPE, the rehabilitated social and basic infrastructure was in good condition according to the UNDP and continued to be functional. During the planning and construction phases, several inspections are carried out by UNDP's own engineers to ensure good construction quality. The respective governorates or local government agencies are responsible for the operation and maintenance measures themselves after the hand-over by the construction companies has been completed. However, long-term coverage of working capital financing by the respective governorates is questionable.

In some cases, UNDP failed to take sustainability aspects into account during the project appraisal. The FFS approach of safeguarding sustainability and utilisation by only rehabilitating infrastructure that was already in use before its destruction can be considered to be too short-sighted. Demands can change quickly over time, especially in the crisis situation at the time, which means that the priorities with regard to the required social and basic infrastructure cannot be derived directly from the structures in place before destruction. In addition, the local population was generally not actively involved in the design and implementation of the project measures. This lack of active involvement entails the risk that the infrastructure will not be used or that there will be a lack of independent maintenance and thus the risk of neglect by the target group.³⁷ However, in the case of FFIS I and II, there is no evidence that this risk has occurred.

The main risks to sustainability result from the continued volatile security situation in Iraq and conflicts between individual population and refugee groups. Future destruction or damage to the rehabilitated infrastructure cannot therefore be ruled out due to the risk of renewed violent outbreaks and riots. The COVID-19 pandemic is also exacerbating the various humanitarian, geopolitical, security, economic and social challenges that Iraq continues to face.³⁸ As the FFS is phased out at the end of 2023, the question of the interconnectivity of the measures and an exit strategy also arises. According to UNDP, the latter is currently being developed and is expected to be available by the end of the second quarter of 2022.

According to UNDP, the social and basic infrastructure financed at the time still exists today and contributes to the basic services provided to the population in the programme areas. However, due to the assumption that the working capital financing is volatile, a risk to the long-term viability of the infrastructure must be anticipated. No lasting effects are expected from the income-generating measures which were implemented only to a limited extent. For future projects, a more participatory approach involving the target group seems to be expedient as well as a timely determination of an appropriate exit strategy. Overall, the sustainability effect is therefore assessed as satisfactory.

Sustainability rating: 3

Cross-project conclusions

In the course of FFIS I and II, the earmarking of FC funds has proven to be inadequate and not flexible enough to meet the constantly changing needs and dynamic framework conditions in the context of conflict. The theoretically dual approach, which aimed to provide incentives for displaced persons to return to newly liberated areas both by rehabilitating the infrastructure and by means of short-term employment measures at various levels (short- and long-term), was not able to achieve the intended effects in practice, even through a reassignment of funds. Against this background, a use of funds that has not been earmarked from the outset seems to be a more suitable instrument.

The success of short-term income-generating measures in intervention contexts that are characterised, for example, by forced migration and displacement, depends heavily, among other things, on whether there is sufficient demand for employment and whether sufficient conditions for the resettlement and return of people in the respective areas have been established in advance.

Regulations and regular agreements between the donor and the executing agency are important in order to ensure functioning communication, documentation and ultimately an appropriate process. While these were insufficient at the time of implementation and a lack of coordination on the reassignment of funds

³⁷ Joyn-coop (2020): Mid-term evaluation of the German contribution to the FFS and ICRRP in Iraq.

³⁸ UNDP (2020): Funding Facility for Stabilization – 2020 Annual Report.

reduced KfW's active influence on and design of the project, there are currently a number of established regulations and processes with UN organisations.

In highly volatile contexts, objectives and indicators should be formulated realistically in order to adequately take into account the level of ambition in fragile contexts. Delays in stabilising activities in former war zones due to the clearance of mines or explosive remnants of war (that are technically highly developed or present in large quantities) should be incorporated in the planning from the outset. Cooperations, for example with UNMAS or private, specialised explosives clearance companies, are essential for a safe and fast process.

Effective platforms for donor coordination and opportunities for dialogue are important in order to exploit synergies and to be able to meet needs with restricted donor contributions in a highly competitive environment. Regular exchanges are the only way to ensure that the allocation of funds is needs-based and to avoid exacerbating possible lines of conflict.

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being **relevance, coherence, effectiveness, efficiency, overarching developmental impact** and **sustainability**. The ratings are also used to arrive at a **final assessment** of a project's overall developmental efficacy. The scale is as follows:

Level 1	Very good result that clearly exceeds expectations
Level 2	Good result, fully in line with expectations and without any significant shortcomings
Level 3	Satisfactory result – project falls short of expectations but the positive results dominate
Level 4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
Level 5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
Level 6	The project has no impact or the situation has actually deteriorated

Rating levels 1-3 denote a positive assessment or successful project while rating levels 4-6 denote a negative assessment.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Rating levels 1-3 of the overall rating denote a "successful" project while rating levels 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (level 3).