



# JOINT STRATEGIC MINISTERIAL EVALUATION OF THE ENGAGEMENT OF THE AA AND BMZ IN IRAQ

**Departmental Report on BMZ's Engagement in Iraq**

Executive Summary  
2022

# IMPRINT

## Verfasst von

Christoph Hartmann  
Ruben Wedel  
Marlene vom Hofe  
Maren Weeger  
Line Winterhoff

## Verantwortlich

Dr. Stefan Leiderer

## Gestaltung Umschlag

MedienMélange: Kommunikation!, Hamburg  
[www.medienmelange.de](http://www.medienmelange.de)

## Lektorat

Silvia Richter, mediamondi, Berlin

## Bildnachweis

Titelseite: picture alliance / REUTERS /  
MUHAMMAD HAMED

## Bibliografische Angabe

Hartmann, C. et al. (2022), *Ressortgemeinsame strategische Evaluierung des AA- und des BMZ-Engagements in Irak. Ressortspezifischer Bericht zum Engagement des BMZ in Irak*, Deutsches Evaluierungsinstitut der Entwicklungszusammenarbeit (DEval), Bonn.

## Druck

Bonifatius, Paderborn

## Herausgeber

Deutsches Evaluierungsinstitut der  
Entwicklungszusammenarbeit (DEval)  
Fritz-Schäffer-Straße 26  
53113 Bonn

Tel: +49 228 336907-0

E-Mail: [info@DEval.org](mailto:info@DEval.org)

[www.DEval.org](http://www.DEval.org)

Das Deutsche Evaluierungsinstitut der Entwicklungszusammenarbeit (DEval) ist vom Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) mandatiert, Maßnahmen der deutschen Entwicklungszusammenarbeit unabhängig und nachvollziehbar zu analysieren und zu bewerten.

Mit seinen Evaluierungen trägt das Institut dazu bei, die Entscheidungsgrundlage für eine wirksame Gestaltung des Politikfeldes zu verbessern und die Transparenz zu den Ergebnissen zu erhöhen.

Der vorliegende Bericht ist auch auf der DEval-Website als PDF-Download verfügbar unter:

<https://www.deval.org/de/publikationen>

Anfragen nach einer gebundenen Ausgabe richten Sie bitte an: [info@DEval.org](mailto:info@DEval.org)

Eine Stellungnahme des Bundesministeriums für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) findet sich unter:

<https://www.bmz.de/de/ministerium/evaluierung/bmz-stellungnahmen-19404>

© Deutsches Evaluierungsinstitut der  
Entwicklungszusammenarbeit (DEval), 2022

ISBN 978-3-96126-157-4 (gebundene Ausgabe)

ISBN 978-3-96126-158-1 (PDF)

# EXECUTIVE SUMMARY

## Background

For decades, the German government steadily increased the frequency and scale of its engagement in fragile contexts. From the start, alongside military operations that prompted high-profile public debate, the priority was on civilian foreign policy and development policy engagement. This is the case in Iraq, where the German government has been committing substantial resources since 2014 as a contribution to ending the dominance of the terrorist organisation known as Islamic State (IS), alleviating acute hardship, creating prospects for the Iraqi population to remain in or return to their home regions, and strengthening state structures. The German government's engagement in Iraq encompasses both foreign and development policy approaches as well as civilian and military aspects of security. Since 2014 these have been supported with high financial inputs (equivalent to USD 2.7 bn) budgeted across multiple ministries, principally the Federal Foreign Office (AA), the Federal Ministry for Economic Cooperation and Development (BMZ) and the Federal Ministry of Defence (BMVg).

In order to apply the various instruments from different policy sectors effectively, coherently and efficiently in Iraq, the German government sought to pursue an integrated and joint ministerial approach. In accordance with international agreements (“New Deal for Engagement in Fragile States”)<sup>15</sup> as well as German policy requirements (guidelines on “Preventing Crises, Resolving Conflicts, Building Peace” from 2017),<sup>16</sup> and in light of the discourse on the humanitarian-development-peace-nexus (HDP-nexus),<sup>17</sup> the German government aspires to have its ministries act in concert and coordinate their strategic planning and steering jointly.

To strengthen the necessary joint learning for this purpose, in 2019 the AA and the BMZ decided to initiate a joint ministerial evaluation of their engagement in Iraq. This means that for the first time since 2011, the civilian engagement of both ministries is examined jointly within the scope of one evaluation. The AA and the BMZ thus fulfil the German government's intention to anchor monitoring and evaluation as important instruments for learning and accountability in Iraq.

The joint ministerial evaluation was conducted by a working group consisting of the German Institute for Development Evaluation (DEval) and a consortium led by GFA Consulting Group GmbH (GFA).<sup>18</sup> DEval was charged with evaluating the portfolio of the Federal Ministry for Economic Cooperation and Development (BMZ) while GFA took charge of evaluating the portfolio of the Federal Foreign Office (AA). The joint ministerial evaluation report is published in the form of an executive summary complemented by two detailed ministry-specific reports.

This BMZ-specific report presents the findings from the evaluation of the BMZ's engagement in Iraq from 2014 to 2019 and is part of the joint ministerial evaluation of AA and BMZ engagement in Iraq.

<sup>15</sup> International Dialogue on Peacebuilding and Statebuilding (2011), “The New Deal for Engagement in Fragile States”, International Dialogue on Peacebuilding and Statebuilding, Busan, Korea.

<sup>16</sup> Federal Government of Germany (2017), “Guidelines on Preventing Crises, Resolving Conflicts, Building Peace”, German Federal Foreign Office, Berlin.

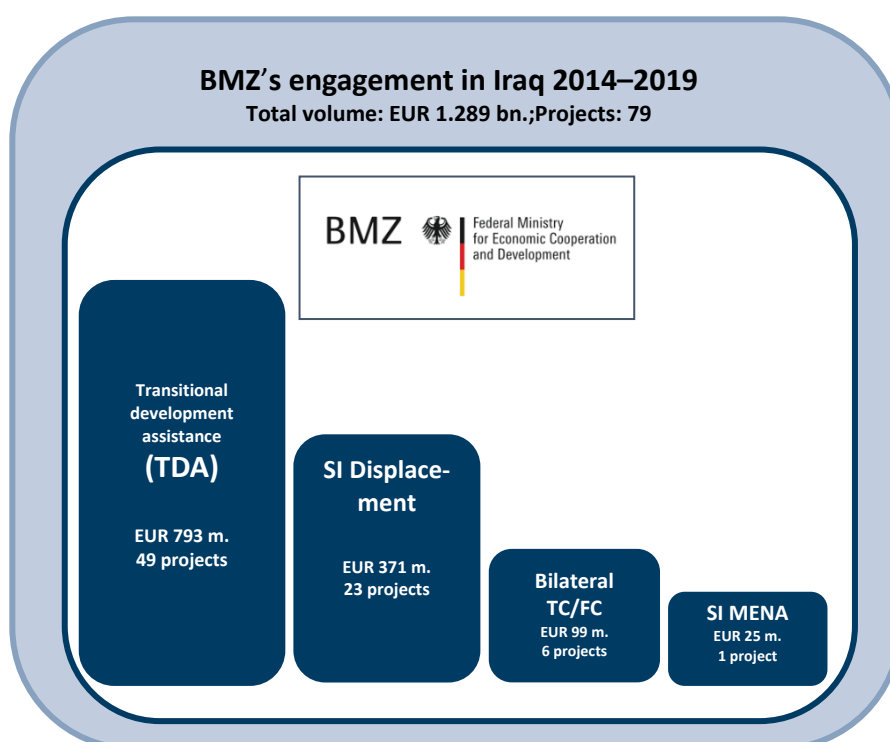
<sup>17</sup> An extensive literature report summing up the state of research on the operationalisation of the (humanitarian-development) nexus and associated impediments was jointly produced by DEval and the Swedish Expert Group for Aid Studies: Kocks et al. (2018), Building Bridges Between International Humanitarian and Development Responses to Forced Migration. A Review of Conceptual and Empirical Literature with a Case Study on the Response to the Syria Crisis, EBA Report 2018:02, Expert Group for Aid Studies, Sweden, and German Institute for Development Evaluation (DEval), Germany.

<sup>18</sup> DEval incorporated the joint ministerial evaluation into its evaluation programme for 2020-22 during the consultation process in 2019.

### Subject, objective and methods of the evaluation

The subject of this BMZ-specific report is the BMZ's engagement in Iraq from 2014-2019. During this period, the BMZ's engagement in Iraq amounted to some EUR 1.3 billion and was financed from the budget lines "Crisis management, reconstruction, infrastructure"/"Transitional development assistance" (TDA), the Special Initiative on "Tackling the root causes of displacement, reintegrating refugees" (SI Displacement), the Special Initiative on "Stabilisation and development in the Middle East and North Africa" (SI MENA) and Bilateral Technical and Financial Cooperation (TC and FC) (cf. Figure i).<sup>19</sup> Its engagement accounts for almost 50 per cent of the total volume of German ODA<sup>20</sup> in Iraq during this period. In terms of ODA volume, the BMZ is thus the largest German actor in Iraq, followed by the Federal Foreign Office. Between them, the BMZ and the AA financed over 80 per cent of the total German ODA volume allocated to Iraq.

**Figure i**      **Subject of the report**

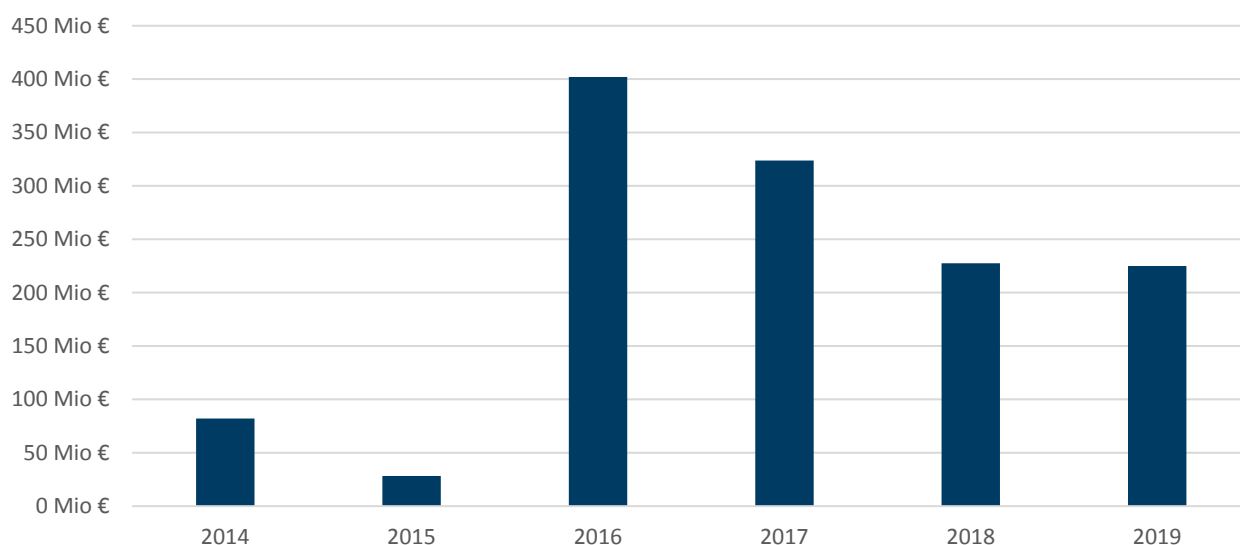


Source: own presentation based on portfolio data supplied by the BMZ.

Whereas the BMZ's commitments for 2014-15 were comparatively low, they rose considerably in 2016, the year in which the annual total peaked at EUR 402 million (see Figure ii). A comparison of commitments under the individual budget lines shows that in 2014/2015, the BMZ mainly funded projects via the TDA budget. A major additional rise in support via the SI Displacement budget followed in 2016, and official bilateral development cooperation (FC/TC) assumed an increasingly important role from 2017 onwards.

<sup>19</sup> Up to and including 2015, the budget item "687 06 023" was named "Transitional development assistance" (entwicklungsfördernde und strukturbildende Übergangshilfe, ESÜH; also shortened to Übergangshilfe, ÜH). From 2016, it was renamed "Crisis management, reconstruction, infrastructure" (Krisenbewältigung, Wiederaufbau, Infrastruktur, KWI). The full names and corresponding codes of the other budget items are as follows: Special Initiative on "Tackling the root causes of displacement, reintegrating refugees" (Sonderinitiative Fluchtursachen bekämpfen, Flüchtlinge reintegrieren – SI Flucht) (896 32 023), Special Initiative on "Stabilisation and development in the Middle East and North Africa" (Sonderinitiative Stabilisierung und Entwicklung Nordafrika-Nahost – SI MENA) (896 33 023), "Bilateral Financial Cooperation" (Bilaterale Finanzielle Zusammenarbeit, FZ) (896 01 023) and "Bilateral Technical Cooperation" (Bilaterale Technische Zusammenarbeit, TZ) (896 03 023).

<sup>20</sup> ODA stands for "official development assistance" as defined by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD).

**Figure ii**      **Total BMZ commitments 2014 – 2019**

Source: own presentation based on OECD-DAC Creditor Reporting System (CRS) data. The total amount of new commitments for each budget year is shown (in euros).

**The principal objective of the joint ministerial evaluation was the comprehensive analysis and independent assessment of the AA's and the BMZ's engagement in Iraq for the purpose of joint institutional learning and accountability.** The findings are intended to support the German government's accountability to the Bundestag and contribute to the transparency of Germany's engagement in Iraq. At the same time, the findings are to be used by the AA and the BMZ for joint analysis and coordinated planning, steering and implementation of their engagement in Iraq. The findings are also intended to provide the implementing organisations<sup>21</sup> with important pointers for operational implementation and to inform the development community about lessons learned. These conclusions drawn from the Iraq engagement are likely to offer useful lessons for other crisis situations. In particular, they may inform approaches for dealing with other countries affected by state fragility and protracted social, political and military conflicts, where the HDP-nexus approach is of particular relevance.

The BMZ-specific report on the BMZ's engagement in Iraq is structured according to the internationally recognised evaluation criteria of the OECD Development Assistance Committee (DAC) (relevance, effectiveness, impact, sustainability, coherence and efficiency) plus the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP) criterion of connectedness.

Each criterion is reviewed and assessed in terms of a key question, as shown below:

- **Relevance:** Did the BMZ do the right thing in Iraq?
- **Effectiveness:** Did the BMZ attain its short- and medium-term objectives and achieve positive effects?
- **Impacts:** Did the BMZ's engagement contribute to development impacts?
- **Connectedness/sustainability:** Was the BMZ able to ensure the connectedness and sustainable anchoring of what it achieved?
- **Coherence:** Were the BMZ's actions internally coherent and synergetic and externally/internationally coordinated?<sup>22</sup>
- **Efficiency:** Did the BMZ do the right thing in the best possible way?

<sup>21</sup> The term "implementing organisations" is used to mean all actors responsible for delivering the BMZ funding on the ground. It can also encompass downstream organisations which receive BMZ funds via implementation chains.

<sup>22</sup> The aspect of cross-ministry coherence is discussed in the joint ministerial report of the evaluation.

**The evaluation follows a theory-based approach. The findings and conclusions are based on the collection, analysis and evaluation of a wide range of primary and secondary data using a mixed-methods approach.** In order to create an analytical basis for the evaluation of the broad and heterogeneous subject matter, a theory of change for the BMZ's engagement was reconstructed. Different methods were combined (mixed-methods approach) to ensure the validity of the results and to guarantee sufficient diversity of perspectives. The reliability of the findings was increased by triangulating the data obtained by qualitative and quantitative methods, and verified using DEval's internal and external quality assurance processes. On the one hand, the evaluation is based on a comprehensive portfolio analysis as well as the analysis of strategic and operational documents from both ministries, thematic and region-specific documents, and project documentation. Its findings also draw on primary data collected in the course of 227 semi-structured individual and group interviews, a more in-depth analysis of a criteria-based selection of example projects, a standardised survey of the implementing organisations, a perception-based survey conducted among the Iraqi population with 400 respondents in Mosul and 500 in Dohuk, and ten focus group discussions.

The evaluation was implemented with due regard for the DEval evaluation standards,<sup>23</sup> taking special care to follow a conflict-sensitive approach in order to minimise any risks for all parties involved. To ensure the usefulness and quality of the findings, importance was attached to the participation of actors relevant to the evaluation at key points in the evaluation process.

### **Analytical assessment of BMZ engagement in Iraq**

With regard to the relevance, effectiveness and coherence of the BMZ's engagement in Iraq, which initially focused primarily on creating prospects for refugees and internally displaced persons to stay in or return to their home regions, and on reconstruction, the evaluation comes to a positive overall assessment. At the level of the target groups, effects can also be observed or plausibly assumed which bridge the gap between directly alleviating the precarious situations of individuals and achieving sustainable improvements such as strengthening the resilience of individuals and host communities and building human capital.

Despite these "bridgeheads" to structural effects being incorporated into the design of some interventions, the evaluation findings show that the medium- and long-term effectiveness and the sustainability of the engagement currently pose major challenges. Firstly, sustainable anchoring of the majority of measures has not yet been possible due to capacity shortfalls and the Iraqi government's reluctance to take ownership. The potential of German measures to make a significant contribution to addressing the structural causes of the crisis is further constrained by the Iraqi government's limited capacity for action and its hesitant reform efforts. At the same time, the measures lacked clearly defined strategies for dealing with these challenges, such as exit scenarios for a handover to Iraqi actors in the medium term.

So far there is little evidence of sustainable structural effects resulting from the development cooperation measures initiated towards the end of the period under review, which are geared more emphatically towards overarching development objectives. Given the present framework conditions, it must be assumed that the potential impact of pursuing such overarching development objectives in Iraq will remain limited for the foreseeable future.

<sup>23</sup> Noltze, M. and G. Leppert (2018), DEval Methods and Standards 2018: Standards for DEval Evaluations, German Institute for Development Evaluation (DEval), Bonn.



## Relevance

**The BMZ's engagement was in keeping with the German government's objectives in Iraq.** These objectives included stabilising the country, improving prospects for the Iraqi population to stay in and return to their home regions, reducing the causes of displacement and irregular migration, and supporting the peaceful and inclusive development of the country in line with the sustainability agenda of the United Nations. The objectives, instruments and measures in Iraq could plausibly be matched to the objectives of the German government.

**In response to the occupation of territories by the so-called IS, originally the BMZ primarily funded measures aimed at strengthening the resilience of refugees, internally displaced persons and host communities in parallel with the Federal Foreign Office's humanitarian assistance.** As the IS was gradually driven back, the BMZ extended its portfolio to include measures for reconstruction. At the same time, the initial measures intended primarily for the short-term alleviation of hardship due to the crisis were gradually joined by elements geared towards longer-term effects (for example by complementing cash-for-work measures<sup>24</sup> with parallel training components).

**Since 2017, the BMZ has also increasingly expanded its portfolio to include measures to tackle core development policy problems.** As well as tackling symptoms, measures focusing on good governance and sustainable economic development aimed to address structural causes of crises in Iraq in order to make a sustainable contribution to the country's development.

**The BMZ's engagement was thus strongly aligned with the priorities and needs of the Iraqi government and, for the most part, with those of the population.** The geographical and thematic emphasis of the BMZ portfolio between 2014 and 2019 met the requests of the Iraqi government and the needs of the Iraqi population. From the perspective of Iraqi government staff, the BMZ-funded projects consulted well with Iraqi government agencies. Occasionally, however, there is evidence that due to the great urgency of the crisis response and the limited access to rural areas, projects often did not manage to address the most vulnerable populations.

**The relevance of measures by the BMZ to support structural reforms in Iraq is limited.** The BMZ began implementing measures to improve good governance and diversify the economy in 2017. In development terms, these objectives are highly relevant for the sustainable and peaceful development of the country. Nevertheless, the potential impact of measures by the BMZ to support structural reforms is heavily dependent on the Iraqi government's capacity for action and the success of its reform efforts. Unless and until substantial improvements of these aspects can be expected, the relevance of development cooperation measures to support reforms is likely to remain limited in future.

**The BMZ's steering of the portfolio was mainly reactive and needs-oriented, but there was often inadequate information to provide a basis for conflict-sensitive and impact-oriented steering.** The BMZ divisions involved adapted the portfolio well to changing contexts and immediate needs such as in the aftermath of the liberation of Mosul. Important success factors were effective interface management by the responsible divisions within the BMZ, and generally effective steering and cooperation vis-à-vis the implementing organisations. Monitoring systems at the implementation level were routinely in place but frequently in considerable need of improvement with regard to impact orientation and conflict sensitivity. Aggregating monitoring systems were not in place at portfolio level. They existed at the level of individual budget lines, at least for the SI Displacement, but only at output level. Consequently, the divisions barely had any knowledge about positive effects and the risk of potential unintended negative effects ensuing from the measures funded. Planning and steering were therefore primarily based on needs analyses but not necessarily on impact analyses.

<sup>24</sup> <https://www.bmz.de/de/entwicklungspolitik/cash-for-work> (in German).

**The BMZ's Iraq portfolio largely took account of cross-cutting issues but was only partially successful at implementing them.** Conflict sensitivity, human rights, inclusion of vulnerable population groups and gender equality were well anchored conceptually, thanks to international frameworks and strategy papers, and were well integrated into the Iraq portfolio as cross-cutting issues. On the other hand, the Iraq portfolio contains little or no reference as yet to ecological standards or environmental and climate compatibility as cross-cutting issues. Potential for improvement is also found in the actual implementation of the cross-cutting issues in the measures, especially with regard to monitoring. The responsible divisions and implementing organisations were not universally equipped with the necessary cross-cutting capacities (expertise or time resources), and this adversely affected the quality of project implementation.

**Although the BMZ refined the objectives of the engagement over time, it had no strategy in place as a basis for planning and shaping the portfolio.** The BMZ continued to develop the objectives for its engagement in Iraq over time and initiated internal processes for strategy building. So far, however, it has not succeeded in elaborating a complete country strategy. The BMZ's flexible, short-term and needs-oriented course of action was pragmatic and appropriate in response to the initial escalation phase of the crisis. In light of the BMZ's introduction of longer-term objectives and the rapid growth of its portfolio, however, towards the end of 2017 it should have transitioned to more strategic development cooperation with greater planning depth.

## Effectiveness

**The short- and medium-term objectives of the BMZ-financed projects were mostly achieved despite the challenging context.** The focus of the majority of projects was on quantifiable and readily measurable targets at the output level, such as the number of employees involved in cash-for-work measures or the (re)construction of physical infrastructure. Most of these targets were successfully achieved. The BMZ thereby made a substantial contribution to the rehabilitation of basic infrastructure and the provision of services. On this basis, the achievement of direct targets is assessed positively.

Most notably, the population's resilience was at least somewhat strengthened during the crisis. In this way, the BMZ-funded measures have been successful for the most part and, in conjunction with those of other actors, have contributed significantly to dealing with the crisis, both through measures to alleviate acute hardship and measures for reconstruction. One indication of the success of international and Iraqi contributions is the fact that almost 75 per cent of all internally displaced persons were able to return to their home regions by the end of 2019.<sup>25</sup> The BMZ-funded measures made an essential contribution to creating and improving conditions for these people's return, for example by rehabilitating important infrastructure or providing short-term employment through cash-for-work programmes. Given the exceptionally difficult conditions of the Iraqi context in 2014-2019, the contribution of these measures to meeting immediate basic needs, thus preserving the human dignity of vulnerable internally displaced persons and refugees, and to (re)building basic infrastructure can be rated a success.

**The degree to which the sustainable functionality of the rehabilitated basic infrastructure is assured is questionable.** Another factor clouding the positive picture is that qualitative objectives, such as capacity building in hospitals or government agencies, were only pursued by a small proportion of the projects and were only partially achieved. However, these qualitative components are often necessary to achieve outcome-level objectives, such as ensuring the functionality of the (re)built physical infrastructure. This poses further risks beyond the level of individual projects to the outcome-level objectives of the overall portfolio.

<sup>25</sup> According to a survey by the International Organization for Migration (IOM): (IOM Displacement Tracking Matrix Master List Report 113 (November-December 2019) and IOM Iraq: Protracted Displacement in Iraq: Revisiting Categories of Return Barriers (January 2021))



**Despite the BMZ's objective of being impact-oriented in its work, the planning of the BMZ's engagement was distinctly more output-oriented than impact-oriented.** Projects concentrated mainly on results that could be achieved in the short term, while longer-range intervention logics were either not in place or not sufficiently elaborated. Reasons for the limited impact orientation were the urgency of the rapid crisis response and the pressure born of media and political demands to move quickly and translate the available resources into measures on the ground. The impact orientation of both the projects and the engagement as a whole suffered as a result. This in turn had negative consequences for the effectiveness and sustainability of the engagement.

**The challenging context and particularly the volatile security situation and the impaired functional capacity of the Iraqi government hampered achievement of the objectives.** The constant volatility of the security situation hindered access to target groups and in some instances the timely achievement of project objectives. The impaired functional capacity of the Iraqi central government in the liberated territories was detrimental to the achievement of project objectives during the period 2014 to 2017, with the notable exception of the United Nations Development Programme Funding Facility for Stabilization (UNDP-FFS). By comparison, cooperation with the regional government of the Kurdistan Region of Iraq (KRI) did advance the achievement of objectives, albeit to a limited extent. While a pragmatic approach to these challenges was often successful at the project level, the BMZ is still far from having found a systematic way of handling these challenges in Iraq.

## Impacts

**The majority of the BMZ's development objectives in Iraq can only be achieved over the long term.**<sup>26</sup> For the comparatively short period under review, first contributions to these long-term objectives have been analysed with a view to evaluating not only the effects that are currently observable but particularly also the future impact potential. From this, it is evident that important objectives like strengthening resilience and social cohesion have been partially achieved, while further-reaching objectives relating to overcoming structural constraints on development in Iraq have barely been achieved so far. Even in the near future, these objectives only appear attainable if the BMZ succeeds in finding a strategic way of dealing with the systemic challenges of the Iraqi context.

**The resilience of individuals, meaning their ability to survive crises without permanent adverse effects, was partially strengthened, but the same can barely be said of the resilience of institutions and structures.** The resilience of individuals was strengthened particularly by ensuring food security, building basic infrastructure, and providing short-term employment as part of development cooperation measures. The BMZ's engagement thus contributed to putting people in a position to ensure their own survival in the crisis. However, capacities for promoting structural change, such as by improving local political or social structures and institutions, were barely strengthened.

**Social cohesion at the level of target groups was strengthened in some instances and localities.** During the period under review, there were only a few projects whose primary objective was to strengthen social cohesion. Communication and reconciliation were to be supported by such means as psychosocial support and the conflict-sensitive involvement of members of different population groups in projects. It is plausible that positive contributions were made in some instances at the level of individuals and groups.

**Contributions were made in some instances to strengthening the private sector and to individual employment, but there were no substantial contributions to the implementation of economic reforms.** Projects successfully carried out activities to promote chambers of commerce and micro, small and

<sup>26</sup> Experience from international engagement in other post-conflict countries shows that promoting development policy goals at the whole-of-society level can take 30-50 years. In this regard, see: World Bank. "Building for Peace – Reconstruction for Security, Equity, and Sustainable Peace in MENA". Washington, D.C., USA: World Bank Group, 2020.

medium-sized enterprises (MSMEs), for example. Employment promotion measures such as career counselling for young people and women were also implemented successfully. However, no decisive contributions were made to improving the business and investment climate in Iraq.

**BMZ-funded measures have in some instances contributed to improving the conditions for state action at the local level, but have not made a substantial contribution to good governance at the national level.**

Reconstruction – of the water and electricity supply, for example – was a basic prerequisite for re-establishing municipal district authorities with at least rudimentary, functioning administrations. A project to support the decentralisation of the Iraqi government was begun during the period under review but has not yet been running long enough to generate effects. The realisation of long-term effects in this area will depend heavily on the Iraqi government's reform efforts in the future.

**The evaluation identified examples of positive unintended effects and risks of negative unintended effects of projects.**

Implementation partners expressed the view that cooperation with the German implementing organisations had had positive effects on their capacities, even though strengthening capacities was not an explicit objective of the measures. In contrast, the evidence indicates that the Iraqi population's perception of the work of multilateral organisations as efficient and effective led to unfavourable comparisons which worsened the Iraqi government's image. The examples and evidence identified highlight the risk of negative effects ensuing from measures in Iraq. At the same time, it was evident that unintended effects were not adequately recorded either at the project level or at the overall steering level. This left the BMZ without the requisite knowledge to be able to consider these effects when steering its portfolio.

#### **Connectedness / sustainability:**

**Although intensified efforts to make the BMZ portfolio in Iraq connectable and sustainable were increasingly apparent, there was little success in connecting with Iraqi structures during the period under review.**

In many cases, the measures in Iraq funded under the different BMZ budget lines were implemented in successive phases, one building on the other. Most of the BMZ-funded measures were succeeded by a follow-up measure from the same implementing organisation, often with a similar thematic emphasis. Only patchy cross-ministry connectedness has been achieved so far, although increasing efforts by the BMZ were visible, such as the piloting of what is known as the Nexus Chapeau approach, adopted since 2019 to improve coordination between the AA's humanitarian assistance measures and the BMZ's transitional development assistance. Connectedness to Iraqi structures, which is essential for the sustainability of the measures, was often not a priority objective of projects. Plausible and fully elaborated exit strategies did not often exist. Efforts to shape the measures in a sustainable manner, such as by promoting ownership and capacity building of Iraqi actors, became more of a focus towards the end of the period under review.

**In central Iraq there was ultimately little success in strengthening government and administrative capacities and ensuring ownership in the course of cooperation.**

However, initial successes can be seen in the Kurdistan Region of Iraq (KRI), visible for example in the partners' increased coordination activities. In particular, the financing and continuation of BMZ-initiated measures by Iraqi actors on a permanent and self-reliant basis has yet to be secured, either in central Iraq or in the KRI.

At the level of individuals in the affected population, the sustainability of particular effects – especially from measures aimed at building human capital (such as hygiene practices, psychosocial stress counselling and vocational training) – is plausible. The sustainability of effects at the institutional level, such as in the implementation of reforms and the maintenance of infrastructure, appears to be in jeopardy in view of the common failure to connect with Iraqi structures so far as well as the difficult contextual conditions which are affected by inadequate capacities and weak ownership on the part of Iraqi partners.

**Against this backdrop there is potential for the BMZ, in cooperation with the AA, to make a greater contribution to developing the international community's strategic approach in Iraq.** German influence on the strategic orientation of the international community's engagement until now, measured in terms of the German funding deployed, is regarded as low by other international donors. At the same time, the international and Iraqi actors interviewed emphasised their high level of trust in the neutrality and professionalism of German actors. Without a German government or BMZ strategy, however, there is no basis for a consistent dialogue with the international community or for working effectively towards the elaboration of a common strategic approach in Iraq.

## Efficiency

**The BMZ's engagement reached the target groups in a timely manner in most cases, but short project durations were often not appropriate to the medium- and long-term objectives and hampered the efficiency of implementation.** Evidence that implementation was mostly timely was seen, for example, in the BMZ-funded measures in Dohuk which provided rapid support in setting up refugee camps and strengthening the basic infrastructure. However, examples were also found where target groups were not reached within the planned time frame due to delays. The short project durations of a little over two years on average were not conducive to the efficient achievement of medium- and long-term objectives. Although project extensions and/or follow-up projects eventually resulted in longer total durations, the considerable administrative workload and planning uncertainties associated with this approach make efficiency losses likely.

Weighing the costs and benefits of various instruments and implementing organisations played a lesser role in the BMZ's planning and steering. In hindsight, the chosen instruments and implementing organisations were fundamentally appropriate for the crisis response. Yet none of the documents available make it possible to reconstruct the extent to which the BMZ systematically weighed up the advantages and disadvantages of instruments and implementing organisations and analysed their consequences for the efficiency of the portfolio. The diversity of the BMZ portfolio is also understandable with hindsight, due to the diverse and acute needs at the beginning of the crisis in particular. Towards the end of 2017, however, a phase of deeper strategic planning should have included reflection on larger and more efficient lever effects for the longer-term engagement – by focusing thematically, for example – in order to improve the allocation efficiency between the instruments.

**The closely allied content of action areas and measures under the different budget lines combined with the lack of a common planning basis in the form of a country strategy increased the need for additional coordination, particularly in the initial phase.** In principle, the instruments used were appropriate for the efficient achievement of objectives in Iraq. To begin with, however, the closely allied content of the action areas and measures under the SI Displacement and TDA lines in particular increased the need for coordination, and hence the potential for efficiency losses. Although regular consultation enabled duplications to be avoided, little was done to exploit efficiency-boosting synergy potentials such as the pooling of cross-line technical resources for the further strategic development of individual instruments.

An assessment of production efficiency, in the sense of a detailed comparison of costs and benefits of individual measures, was not carried out as part of the evaluation. Furthermore, the fact that the BMZ deployed 44 per cent of its portfolio in Iraq (in)directly through multilateral actors precludes a simple plausibility assessment of production efficiency. For instance, 87 per cent of all FC measures funded via KfW were passed on to multilateral implementing organisations (and some of these turn to further organisations).<sup>27</sup> This reduces German development cooperation's own implementation workload, on the one hand, while lowering the risk of inefficient duplications with other donors from the viewpoint of the

<sup>27</sup> Only 4 per cent of the total volume of the BMZ portfolio is delivered directly by organisations of the United Nations.

Iraq portfolio as a whole. At the same time, the share of funding that has to be spent on administration and other overhead costs of the different actors involved rises due to this approach, so that the net overall effect on the production efficiency of the BMZ-funded measures is unclear.

## Conclusions

The joint ministerial evaluation concludes that in the course of their engagement in Iraq between 2014 and 2019, the AA and the BMZ made relevant and effective contributions to stabilising the country in the short term and to strengthening the short- and medium-term resilience of the target groups. At the same time, the evaluation findings show that both the medium- and long-term effectiveness and the sustainability of the engagement are distinctly limited.

For the BMZ's engagement, this is reflected in the fact that BMZ-funded measures have made a significant and context-appropriate contribution to the short- and medium-term response to the crisis in Iraq. For the foreseeable future, BMZ reconstruction and support measures will remain necessary to meet short- and medium-term needs, but the aim should increasingly be to hand these over to Iraqi actors in the long term. If the BMZ is to contribute substantially to structural work to tackle core development problems once the situation in Iraq has stabilised further, it will also have to find a strategic approach to the systemic challenges of the Iraqi context and ensure that German development cooperation offers comparative advantages when it comes to supporting Iraq. Moreover, from a BMZ-specific perspective a range of other challenges exist, which the BMZ should address in order to strengthen the quality of implementation and steering of the BMZ portfolio in Iraq. In this regard, comprehensive cross-ministry coordination is necessary to ensure a unified approach to any future engagement.

The instruments and projects in the BMZ portfolio during the period under review, from 2014 to 2019, were appropriate to support the Iraqi government and population in dealing with the crisis. The BMZ's engagement in Iraq has been successful, particularly in the areas of alleviating the acute hardship of internally displaced persons, rebuilding infrastructure and creating prospects for returnees, where its contribution has been significant. There remains a need for this kind of support, especially in the area of reconstruction and creating prospects for returnees. Based on the successes described, and in view of the ongoing precarious situation of large numbers of internally displaced persons and returnees, the relevance of further engagement by the BMZ to support these groups seems evident.

This positive finding must be viewed alongside the diverse challenges pertaining to the medium and long-term effectiveness and sustainability of BMZ's engagement in Iraq. An absence of ownership, often a lack of will to reform, and limited capacities of both government and administrative bodies jeopardised the sustainability of projects ranging from the reconstruction of major infrastructure to decentralisation. Accordingly, the potential impact of German development cooperation measures for tackling structural causes of conflict and impediments to development in Iraq appears limited.

Any future engagement will increasingly concentrate on structural work to tackle core development problems and therefore only appears worthwhile if the comparative advantage of bilateral German development cooperation for Iraq can be precisely defined and a strategic approach to these challenges can be found.

Irrespective of these necessities, when it comes to implementing and steering its Iraq portfolio and taking effective interministerial action, the BMZ faces a series of challenges pertaining to problem definition, strategy development, programme/project formulation and implementation, and monitoring and learning.

***Problem definition:***

The lack of an adequately defined, joint ministerial and consolidated understanding of the problem, described in terms of both foreign policy and development policy issues, hampered coordination with other ministries.

**Challenges**

It was challenging for the BMZ to develop and update its understanding of the problem and the context against the backdrop of the significant increase in funding. The limited staff resources in the divisions responsible for Iraq and the regular rotation of staff made it difficult to build up contextual knowledge for the strategic development of the portfolio.

In view of the scale of the emergency situation, the BMZ focused its engagement during the period under review primarily on the acute escalation of the crisis in Iraq. There was no consolidated joint ministerial assessment of (a) Iraq's development issues and (b) the foreign-policy significance of the regional situation as a whole for Germany's interests in Iraq. One consequence of this to this day is a lack of clarity about what role the German government, and hence the BMZ, can or should fulfil in addressing structural problems in Iraq in the long term. Furthermore, a joint and holistic interministerial analysis of Iraq's acute and persistent challenges would have enabled the BMZ to gain a better insight into the simultaneity of different issues and make greater use of potential synergies.

The benefit of a consolidated and joint interministerial problem definition (see Recommendation 2) is especially evident when bringing the portfolio into alignment with the HDP-nexus (see Recommendation 2a). For regular adjustment of the problem definition in the fragile context of Iraq, sufficient staff capacities are necessary (see Recommendation 3).

***Strategy development:***

Despite the lack of a strategic plan, the BMZ succeeded in responding quickly and flexibly to Iraqi needs. The lack of a strategic framework also had negative consequences, however, particularly for the relevance, impact orientation, effectiveness and sustainability of the BMZ portfolio.

**Challenges**

The BMZ's flexible approach was justified in response to the escalation of the crisis in 2014. Nevertheless, towards the end of 2017, there should have been a transition to a greater depth of strategic planning so that the rapidly growing portfolio could be steered appropriately. Budgetary rules placed responsible staff within the BMZ and the implementing organisations under pressure of urgency to spend the available funds quickly. The process of drafting a strategic orientation framework for Iraq was put on hold several times, then suspended due to the BMZ 2030 process (during which new guidelines for drafting country strategies were developed). For these reasons, there was no strategic plan setting out a time frame for BMZ's engagement in Iraq and specifying realistically achievable objectives, intervention logics, risks, the use of instruments and measures, assigned responsibilities, and indicators.

The lack of clarity about the duration and long-term objectives of the engagement made it difficult to shape the portfolio sustainably. The absence of either an adaptive or an exit strategy for the BMZ portfolio as a whole made it difficult for the implementing organisations to develop exit scenarios at a project level and to harmonise them with other actors on the ground. Consequently, it is not yet certain how Iraqi actors will take ownership of the measures initiated by the BMZ and continue them in the medium to long term.

The BMZ did not produce a written intervention logic<sup>28</sup> describing the causal links between measures and intended effects for the BMZ portfolio as a whole. Consequently, the BMZ's steering of the portfolio was guided primarily by outputs. At the same time, the participating actors initially underestimated some of the structural risks affecting the emergence of overarching and sustainable impacts. Strategic responses to known structural risks in Iraq are still lacking, which severely jeopardises the long-term effectiveness of the engagement. For example, the BMZ has not yet found successful approaches for persuading the Iraqi authorities to take ownership. Nor has it developed alternative or exit strategies for dealing with stagnating or diminishing reform efforts on the part of the Iraqi government. The structural risks ultimately constrained the relevance, efficiency, effectiveness, impact, and sustainability of the BMZ's engagement in Iraq.

Furthermore, the BMZ has not adequately particularised the comparative advantages and disadvantages of German bilateral TC/FC in Iraq. While the relevance of structural reforms in Iraq is high, during the period under review the contribution of German development cooperation to supporting such reforms was low. So far, the BMZ has not established a strategic approach to address this discrepancy.

Moreover, the shortcomings in strategic planning impeded the implementation of the humanitarian-development-peace-nexus (HDP-nexus) in Iraq. As yet, there is no concrete strategic-conceptual elaboration of the HDP-nexus with regard to the BMZ's engagement in Iraq. While projects were planned and implemented in the important areas of action for the HDP-nexus, their coherence was not actively facilitated although it is a basic prerequisite for successful implementation of the HDP-nexus.<sup>29</sup> Accordingly, the nexus was not operationalised proactively but only in the form of catch-up adjustments, which remained limited in scale and hence much reduced in effect during the period under review.

The Nexus Chapeau approach was the first attempt by the BMZ, together with the AA, to develop a conceptual framework for strengthening cross-ministry coherence at the level of measures. This has not yet led to realisation of the identified potentials in Iraq, however, and further conceptual development is required. Due to challenges in its operationalisation, the Nexus Chapeau approach has not noticeably succeeded in realising its potential on the ground so far. Moreover, the AA's scheduled withdrawal from financing NGOs working on humanitarian assistance in 2021 leaves an unanswered question as to the possibilities of developing the approach further for Iraq. The basis for the further development and operationalisation of the Nexus Chapeau approach in Iraq is greater cross-ministry coordination (see Recommendation 1).

The existing challenges highlight the importance of a country strategy for Iraq (see Recommendation 2). Within this framework, strategies for dealing with structural risks and a conceptual approach to shaping the HDP-nexus in Iraq should also be developed (see Recommendation 2a). As a basis for continuing and further developing bilateral TC/ FC in Iraq, their comparative advantages should be determined and objectives concretised (see Recommendation 2b).

<sup>28</sup> An intervention logic can be used as an instrument to carry out impact-oriented steering and to identify structural risks threatening the achievement of outcome- or impact-level objectives at an early stage.

<sup>29</sup> As part of the BMZ 2030 reform process initiated in 2020, the BMZ introduced the new country category "nexus and peace partners" and began to draft guidelines and conceptual tools for the development of corresponding strategies.



### ***Programme/project formulation and implementation:***

In a short period of time the BMZ succeeded in building a portfolio which made a significant contribution to dealing with the crisis situation and reconstruction in Iraq. Questions such as long-term effectiveness, cross-cutting issues in development policy, and participation of the target groups receded into the background.

### **Challenges**

The BMZ was very successful in rapidly increasing and spending the financial volume of its Iraq engagement. However, it did not manage to expand the necessary staff resources for steering to the same extent. This had negative consequences for all work areas of the responsible divisions, from analysis to strategy development and inputs to project formulation. Despite the great personal commitment of everyone involved, it was impossible to perform all the tasks that arose.

The rapid implementation of projects enabled the BMZ to make important contributions in the short term. However, the pressure to spend funding urgently was detrimental to impact orientation at the project level. The combination of financial resources and time pressure meant that the BMZ, and indeed implementing organisations, were often most preoccupied with the question of how the funding could be spent in compliance with the rules as quickly as possible. Consequently, project planning was output-oriented for the most part. In contrast, questions of long-term effectiveness receded into the background at the level of both individual projects and the portfolio as a whole.

The BMZ's engagement was closely aligned with the needs and priorities of the Iraqi government. In this regard, the BMZ and the implementing organisations were operating amid the competing tensions between urgent planning and implementation of measures on the one hand and their own aspirations to work participatively with partners and target groups on the other.

Examination of the thematic and regional composition of the portfolio shows that, for the most part, the BMZ's engagement addressed the needs of the Iraqi government and the population. Often, however, an in-depth analysis of needs from different perspectives (Iraqi authorities, population and academia) was not carried out. For example, due to the volatile security context and the great urgency of implementing the measures, there was often little involvement of local target groups in project planning. This harboured the risk of taking insufficient account of the perspective of vulnerable population groups in particular and falling short of the BMZ's ambitions regarding participation as a formative principle of development cooperation.

The challenges regarding the formulation of programmes/projects show the importance of both impact orientation (see Recommendation 6) and the participation of target groups in the elaboration of projects (see Recommendation 5). Especially in an acute emergency situation, the implementation of these themes requires adequate staff capacities (see Recommendation 3).

The majority of cross-cutting issues – with the exception of environmental standards – were well anchored in the BMZ portfolio at the strategic level. However, their implementation at project level fell short of the BMZ's stated aspirations in some cases. Crucial factors for the implementation of the cross-cutting issues within the measures include having the necessary strategic framework in place and ensuring that the staff involved have sufficient capacities. Cross-cutting competences, in conflict sensitivity for example, strengthened the ability of BMZ staff to insist on and monitor the inclusion of cross-cutting issues. This in turn made it easier for project staff to implement the cross-cutting issues in projects. Because those involved were not (universally) equipped with the necessary knowledge and resources to tackle cross-cutting issues, the implementation of the cross-cutting issues sometimes fell short of the BMZ's ambitions.

In future, the BMZ should ensure that the cross-cutting issues are mainstreamed and implemented throughout the portfolio (Recommendation 4).

### ***Monitoring and learning:***

The BMZ lacked aggregated monitoring information on the Iraq portfolio as a basis for evidence-based and strategic steering. The fact that project monitoring systems focused mainly on outputs hampered the impact-oriented steering of the portfolio.

### **Challenges**

The findings of the evaluation show that, for the most part, the implementing organisations carried out useful monitoring activities at the level of individual measures in the fragile context of Iraq. However, projects often did not manage to design monitoring systems which, as well as measuring outputs, are also sufficiently conflict sensitive and impact-oriented – even though this is an explicit concern not just for the BMZ but for many of the implementing organisations themselves. In order to strengthen the long-term effectiveness of the measures, the underlying causes – such as implementation under time pressure, short project durations, and a lack of monitoring capacities – should be addressed as quickly as possible.

Unintended negative effects are usually only recorded passively, which is why the BMZ can barely assess their magnitude and can only counteract them with difficulty. For example, some projects used complaint mechanisms to gather information on negative effects. However, given the high barriers to access for the target groups, it became clear that this passive method of gathering information only permits very limited conclusions to be drawn about the actual occurrence of negative effects. This aspect requires improvement, particularly in light of the do-no-harm approach and the amount of engagement in the notoriously corruption-prone construction sector.

Although implementing organisations regularly report to the BMZ on projects, BMZ staff do not have aggregated monitoring information at their disposal in most cases. The implementing organisations regularly shared the progress of their projects with the BMZ in the form of interim and final reports. However, aggregating formats or an aggregated BMZ-internal monitoring system per sector or budget line and for the Iraq portfolio as a whole were mostly lacking. This limited the BMZ's capacity to steer the portfolio.

Strategic steering was mostly fast, flexible, and needs-oriented, though not sufficiently impact-oriented. The BMZ reacted in a timely and appropriate manner to changes in the framework conditions, such as the liberation of Mosul. This ensured that in most cases the BMZ portfolio was good at addressing the needs of the population.

On a critical note, there was not enough continuous adjustment in response to the positive as well as potential negative impacts of projects. This was mostly due to a lack of aggregated data as an information basis for steering. The BMZ thus lacked an important instrument for strategic steering and ensuring greater effectiveness. For evidence-based steering of the BMZ's future engagement in Iraq, aggregated monitoring data, as well as mechanisms for systematically recording negative effects, are therefore required (see Recommendation 6).

## Recommendations

### Recommendation 1

The BMZ should develop coherent and realistic, strategically aligned and impact-oriented objectives for the German government's civilian engagement in Iraq, within the framework of the policy concept on joint analysis and coordinated planning (GAAP).<sup>30</sup>

### Recommendation 2

The BMZ should formulate a country strategy for Iraq – embedded within an overall German government strategy and ideally based on joint ministerial problem and risk analyses – which should be oriented to the SDGs as a guiding vision for development policy, and which defines strategic objectives but also specifies how structural risks are to be addressed.

In particular, the BMZ should

2a. develop a conceptual approach to strengthen peacebuilding in Iraq within the framework of HDP-nexus implementation.

2b. only continue bilateral TC/FC in Iraq on the basis of an analysis of the comparative advantages and disadvantages of such cooperation, realistic impact assumptions, and alternative or exit strategies for dealing with stagnating or diminishing reform efforts.

### Recommendation 3

To be able to steer country portfolios such as its Iraq portfolio appropriately in the respective fragile context, the BMZ should ensure that staff capacities are sufficient – both quantitatively and qualitatively, i.e. equipped with region-specific and fragility-related competences – for cooperation within the framework of the “nexus and peace partnerships” introduced as part of the BMZ 2030 reform.

### Recommendation 4

The BMZ should ensure that cross-cutting issues are considered and implemented throughout its Iraq portfolio, and in particular, should use definitions of conflict sensitivity and environmental and climate compatibility that are adapted to the Iraqi context.

### Recommendation 5

Despite the challenges involved, the BMZ should ensure that – even in conditions of state fragility, as in Iraq – final beneficiaries, and vulnerable groups especially, are involved in shaping projects, preferably through participatory planning and implementation in order to enable more deliberate consideration of their needs, expertise, and potentials and to ensure conflict sensitivity.

### Recommendation 6

The BMZ should make systematic use of monitoring data – to be provided by the implementing organisations in aggregatable form – for the impact-oriented and conflict-sensitive steering of its portfolio in Iraq and for early identification of potential unintended negative impacts.

<sup>30</sup> “Konzept zur gemeinsamen Analyse und abgestimmten Planung” (GAAP-Konzept)

## Coherence within the BMZ

The objectives of all three budget lines (TDA, SI Displacement and Bilateral TC/FC) from which BMZ measures in Iraq were financed are consistent with the objectives of the German government in Iraq. However, the closely allied content of the measures and action areas under the three budget lines increased the coordination workload required for a coherent approach. As a consequence, and in the absence of a common planning basis in the form of a country strategy, there has been little active pursuit or realisation of cross-line synergies to date.

The measures financed in Iraq under the three lines differed in terms of their thematic elaboration, target groups and the time horizons of their objectives. In this regard, they were complementary to each other, at least in some respects. For example, the objective of SI Displacement was to create short- and medium-term employment opportunities for internally displaced persons and people from the host communities, while bilateral TC/FC pursued structural improvements in employment opportunities by promoting economic diversification.

Nevertheless, clearly delimited thematic distinctions between the budget lines were not discernible, and this sometimes markedly increased the coordination workload required for a coherent approach among the divisions and implementing organisations involved. For example, cash-for-work programmes were financed under both the SI Displacement and the TDA budget lines. Likewise, both the SI Displacement and Bilateral TC budgets were used to support measures for the occupational promotion of young people and promotion of the private sector.

The analysis of internal BMZ steering documents similarly shows that effective coordination among the budget-spending divisions for a common and coherent approach posed a considerable challenge. Over the years, however, this internal coordination continuously improved and was supported by the participating divisions, for example by arranging joint official missions and submitting proposals to management. Towards the end of the period under review, it grew increasingly formalised in the form of regular planning meetings and coordinated planning cycles.

As a consequence of unsatisfactory coordination, in the initial phase at least, and the lack of a common planning basis in the form of a country strategy, the measures operated side by side, both thematically and geographically, and did little to actively pursue or achieve cross-line synergies despite addressing common objectives and action areas. Accordingly, positive reciprocal effects between the measures under different budget lines were rather weak.

## External coherence

The BMZ utilised international implementation and coordination structures and took part in numerous coordination meetings at national, regional and sectoral level. The BMZ made use of existing international implementation and coordination structures as well as potential synergies by deploying 44 per cent of its project volume (in)directly through United Nations organisations. No instances of duplication between German and international measures were found. In addition, the BMZ engaged in numerous coordination meetings at national, regional and sectoral level. The greater part of the coordination was handled by the BMZ-funded projects at the implementation level.

A common strategic approach for the international community's long-term engagement in Iraq is not yet discernible. Over time, the international coordination structures in Iraq were increasingly decentralised. The number and diversity of international coordination mechanisms across sectors and regions increased over time. The somewhat uncoordinated dialogue between international actors and the Iraqi government carries the risk of impeding the sustainability, coherence and effectiveness of the international engagement.