

United Nations Development Group Iraq Trust Fund
Project #74976: C9-29
Date and Quarter Updated: 1 April – 30 June 2012 - Q2 2012

Participating UN Organisation: UNDP (Lead), Sector: Governance
UNESCO, UN-HABITAT, UNICEF, WHO, UNFPA,
UNESCWA, UNWOMEN

Government of Iraq – Responsible Line Ministry: Public Service Council, COMSEC, PMAC, MoPDC,
MoPDC-COSIT, MoH, MoE, MoHESR, MMPW

Title	Iraq Public Sector Modernization Programme- Phase1				
Geo. Location	Iraq- National Coverage				
Project Cost	Total approved funds USD 19,951,063 for Phase1 as follows: USD 7,042,461 - UNDP USD 2,620,207- UNESCO USD 3,142,194- UNICEF USD 2,579,613- UNHABITAT USD 2,978,053- WHO USD 455,175 - ESCWA USD 751,820 - UNFPA USD 381,540 - UNWOMEN				
Duration	12 months + 20 months extension				
Approval Date	11.04.2010	Starting Date	28.04.2010	Completion Date	28.04.2011 extended to 31.12.2012
Project Description	<p>The Iraq-Public Sector Modernisation (I-PSM) Programme is a US\$55 million joint programme of the UN established to support the GoI in modernizing its public sector by adopting a public sector reform strategy for all of government and launching its implementation in three key sectors.</p> <p>The programme will address existing public sector governance constraints through a government-led, centrally administered and coordinated approach that (i) rationalises the architecture and machinery of government (ii) improves human resource management and culture (iii) enhances administrative functionality and generalised management systems (iv) develops clearly defined and costed service delivery models in target sectors (v) approaches decentralisation through a service delivery lens on a sector-by-sector basis, (vi) increases the devolution of service delivery to local government to secure effectiveness, efficiency, transparency and sustainability, with enhanced participation, and (viii) improves the capacity of local government institutions for decentralised service delivery.</p> <p>The programme will establish synergies with existing UN programmes aimed at addressing corruption, will involve the active participation of civil society, and will fully integrate cross-cutting issues in relation to poverty, gender, social exclusion and environment.</p>				

Development Goal and Immediate Objectives:

In line with the UN Assistance Strategy for Iraq 2008-2011, the purpose of the proposed Joint I-PSM Programme is to strengthen the regulatory and institutional framework and processes of national and local governance to enhance service delivery, as outlined in detail in Section 4.

In May 2011, the programme requested and received approval to be re-formulated with adjustments and a change of its scope to enhance harmonization and synergy with other development partners in Iraq. The five Outputs were revisited and reduced to four as Output 3 was dropped and allocated for implementation to

another development partner, namely USAID since it had been assigned to lead on Civil Service Reform, and Output 2 was further elaborated.

The Joint I-PSM Programme working on the following four Outputs:

1. GOI is better equipped to undertake Public Sector Modernization at national and sub-national levels;
2. GOI has capacities for improved public administration systems;
3. GOI has reform and modernization plans in place for targeted sectors; and,
4. Decentralized service delivery improved in target sectors with local governance and enhanced participation.

Reports from the 2nd Quarter 2011 reporting period onward have reflected this change of scope adjustment.

During this reporting period, and in light of the prevalent uncertainty of the funding modality that would govern Phase II of the programme, a request for change of scope and last time extension until 31 December 2012, was approved by the ITF Steering Committee on 10 July 2012.

The extension and change of scope of Phase I was intended to allow the completion of an inception period prior to the launching of Phase II. This inception period will define the activities that UN Agencies will implement during the three years of Public Sector Modernization Phase II to assist the GoI in developing and putting in place plans, policies and medium term strategies to carry on the reform. And more importantly, the extension would also support UN Agencies to keep momentum with Iraqi partners thus preventing any possible disengagement from their side.

During the inception period, UN Agencies will also be able to set in motion the necessary recruitment procedures, which would enable them to start immediate implementation of I-PSM phase II in January 2013 without any further delays. The endorsed budget for this scope expansion was USD 6,351,063.

Outputs, Key activities and Procurement

Outputs & Activities	<p>From June 2011, reports have reflected the change of scope adjustment in which the Joint I-PSM Programme works on four Outputs which are further defined into the following activities.</p> <ol style="list-style-type: none"> 1. GoI is better able undertake Public Sector Modernization at national, regional and governorate levels: <ol style="list-style-type: none"> 1.1 National PSM Task Force Established; 1.2 Parliamentary sub-committee on PSM in place; 1.3 National I-PSM Strategy in place; 1.4 Enhanced understanding by all levels of government of local planning and local service delivery and the perceptions of local population, especially women, for health, education and WATSAN local services. A focus will be placed on providing space to women's voices to help shape and improve local service delivery. Piloted local e-Governance services rolled out and position papers drafted on private-public partnerships in local service delivery; 1.5 Ministry Advisory Committees in Place to Lead Sectoral Reforms; 1.6 External evaluation of Phase 1 and formulation of detailed Work Plan for Phase 2. 2. GOI has enhanced capacities to review and implement public administration systems: <ol style="list-style-type: none"> 2.1 Standard systems for general management functions supported for their creation and implementation in target sectors; 2.2 Tailor made capacity development initiatives and training packages developed and implemented for general management functions; 2.3 An SES framework for the GOI presented and incorporated into PSM strategy; 2.4 National e-Governance Strategy reviewed in line with improved public administration systems; 2.5 MOPDC has improved capacities for planning and monitoring; 2.6 Standard systems for collection of data for performance and results monitoring and
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	<p>evaluation supported for their creation and implementation in target sectors;</p> <p>2.7 Target ministries have improved capacities for planning and monitoring;</p> <p>2.8 Sectoral Reform opportunities identified and sector expenditure management plans in place;</p> <p>2.9 Gender responsive budgeting understood by GoI and KRG, and mainstreamed in national and provincial budget preparation processes, including sectorial budgets.</p> <p>3. GoI has reform and modernization plans in place for targeted sectors:</p> <p>3.1 Health Sector has reform and modernization plans in place;</p> <p>3.2 GOI Education, TVET and Higher Education Sectors have reform and modernization plans in place;</p> <p>3.3 GOI Domestic Water Supply and Sanitation Sectors have reform and modernization plans in place;</p> <p>3.4 GOI is provided with review of aggregate, cross-cutting structural issues to enable fiscal and administrative decentralized service delivery;</p> <p>3.5 GOI is provided with options for citizen participation and public-private partnerships for enhanced service delivery.</p> <p>4. Decentralized service delivery improved in target sectors with local governance and enhanced participation:</p> <p>4.1 Ministry of Health is able to implement decentralized service delivery with enhanced citizen participation.</p> <p>4.2 Ministries of Education and Higher Education are able to implement decentralized service delivery with enhanced citizen participation.</p> <p>4.3 Ministry of Municipalities and Public Works is able to implement decentralized service delivery with enhanced citizen participation.</p> <p>4.4 Local Government organizational structures and mechanisms strengthened to support decentralized service delivery supported.</p> <p>4.5 Vertical and horizontal inter-government relations formalised with discussion forums in place and partnerships with international/regional municipalities created.</p> <p>4.6 Select governorates have mechanisms for improved citizen participation in decentralized service delivery.</p>
Procurement	None to report for this reporting period.

Funds Committed ¹ – UNDP	First Tranche USD 5,000,000	USD 5,000,000.00	% of approved	100%
Funds Committed-UNESCO	USD 2,000,000	USD1,994,047.00		99.50%
Funds Committed- UNICEF	USD 2,6000,000	USD 2,567,128.00		98.70%
Funds Committed-HABITAT	USD 2,000,000	USD 1,900,040.00		95.00%
Funds Committed- WHO	USD 2,000,000	USD 1,989,794.00		99.70%
Funds Disbursed- UNDP	USD 5,000,000	USD 3,655,039.00	% of approved	73.10%
Funds Disbursed- UNESCO	USD 2,000,000	USD 1,953,126.00		97.66%
Funds Disbursed- UNICEF	USD 2,6000,000	USD 2,559,797.00		98.50%
Funds Disbursed- HABITAT Funds	USD 2,000,000	USD 1,477,994.19		73.90%
Disbursed- WHO	USD 2,000,000	USD 1,986,551.00		99.30%
Forecast final date	31 December 2012		Delay (months)	20

¹ Commitments/disbursements percentage are based on the first tranche

Direct Beneficiaries	Number of Beneficiaries	% of planned
Men	UNDP/ Not a Direct Impact Intervention WHO/ Estimated 70,000 UNESCO/ 70 UNHABITAT/ UNICEF/323.614 teachers (M&F)	0% 50% 17%
Women	UNDP/ Not a Direct Impact Intervention WHO/ 20% out of the 70,000 of beneficiary men UNESCO/30 UNHABITAT/ UNICEF/ TBD 30	0% 10% 3%
Children	UNDP/ Not a Direct Impact Intervention WHO/ Indirect Beneficiaries UNESCO UNHABITAT/ UNICEF/ Children enrolled in Primary Education (4.8 million)	0% 0% 0%
IDPs	UNDP/ Not a Direct Impact Intervention WHO/ Indirect Beneficiaries UNESCO 0 UNHABITAT/ UNICEF / TBD	0% 0%
Others (in direct beneficiaries)	UNDP/ Council of Ministers Secretariat (COMSEC), Prime Minister Advisory Committee (PMAC), Ministry of Planning (MoP), Ministry of Municipalities and Public Works (MMPW), Civil servants WHO/ Ministry of Health and other line ministries staff UNESCO/ Ministry of Education and Ministry of Higher Education and Scientific Research personnel UNHABITAT/ Residents of towns and cities in Iraq receiving urban services. UNICEF / Children enrolled in Primary Education (4.8 million) UNFPA/ Central Statistical Office (CSO)/Kurdistan Region Statistical Office (KRSO) and Statistical Units of the line ministries	0% 100%
Employment generation(Men/Women)	N/A	Not a component of the project

Quantitative achievements against objectives and results		
Output 1,2,3 and 4	<p>UNDP</p> <p>I. UNDP continued as the lead agency and took the coordination role; working in coordination and consultation with the UN Country Team on the Iraq Public Sector Modernisation (IPSM) II Project Document, Work Plan and Results Based Framework with support of the UNDP Senior Advisor and Planning Consultants in Public Sector Modernisation. The Project Document was completed and endorsed by the Government of Iraq on 10 June 2012.</p> <p>II. A time extension for Phase-I has been approved by the ITF Steering Committee until end of December 2012.</p> <p>III. UNDP provided continued consultancy and advisory support to Public Sector</p>	96%

Quantitative achievements against objectives and results		
Output 2.3	<p>Modernisation to all sister agencies upon request.</p> <p>IV. The Validation Workshop for the Public Administration Assessment Report for KRG took place on 29 April 2012. The KRG was represented by Ministry of Planning (MOP) whom provided feedback and comments according to the report which was finalized and subsequently officially submitted to MOP.</p>	90%
Output 3.5	<p>UN-ESCWA under Interagency Agreement with UNDP</p> <p>I. Organized a “Validation and Launch Seminar of the Participation and Perception Assessment Report” on 7 May 2012 in Baghdad with the participation of 118 representatives from Public Sector Institutions, Provincial Councils, Governorates, Private Sector and Civil Society.</p>	100%
Output 2	<p>I. Performed additional research and relevant substantive arrangements in preparation of the Public Sector Modernisation Study Mission planned to take place in Morocco. Sustained contacts with relevant governmental entities as well as Academia were pursued.</p> <p>II. In parallel to the above preparations, explored the feasibility of relevance and potential refocus of the Public Sector Modernisation Study Mission on post-conflict models of modernization and reform particularly the Bosnian and South African models. The underlying goal is to provide senior decision makers within the Government of Iraq and Kurdistan Region with strategies and approaches that might be of relevance.</p>	87%
EDUCATION:		
Output 3 3.2	<p>UNICEF:</p> <p>I. Education Ministerial Advisory Committee (EMAC) is in place, functioning, and consultative meetings held.</p> <p>II. All foundation assessments completed. Technical personnel of Ministry of Education were engaged in Baghdad for a period of five months. The assessments, complete with key recommendations for KG –Grade 12, were outsourced to a specialized public sector consultancy firm.</p> <p>III. Service Delivery Report completed.</p> <p>IV. Costing report completed.</p> <p>V. Functional review completed.</p> <p>VI. Road Map for K5-G12 completed.</p> <p>VII. Report on School Based Management (SBM) Options for Iraq completed.</p>	100%
Output 3 3.2	<p>UNICEF/UNESCO:</p> <p>I. In terms of quantitative achievements and results, a functional review, service delivery assessment and costing reports of the ministries of Education and Higher Education and Scientific Research in Baghdad have been completed. In partnership with national partners and UNICEF a draft joint road map for Education sector reform was presented to Iraqi authorities. During the first quarter 2012 UNESCO and UNICEF have been working closely with government partners building on the close working relationship established with the ministries of education in Baghdad and Erbil to outline the main interventions of Phase II of the programme under</p>	100%

Quantitative achievements against objectives and results		
	the umbrella of government-wide public sector reform agenda.	
Output 4: 4.2	<p>I. A major facet of UNICEF's programme of co-operation with the GoI (2011-2014) relates to decentralization of service delivery, through school-based management (SBM) and strengthening the functions of governorates and District Education Offices to deliver quality services. These efforts are on-going and will complement and reinforce sub-output 4.2 in Phase II. The process for decentralized school based management process has already been initiated in 250 Schools on pilot bases and lessons learned from this process will be applied in the Phase II of IPSM. Directorate (governorates) level advocacy for and capacity building to support such process is also being carried out on regular basis.</p> <p>Teachers are being trained in the additional schools and Parent/Teachers Associations activated</p>	60%
HEALTH:		
Output 3: 3.1	<p>WHO</p> <p>I. Training of 13 staff from Ministry of Health and Ministry of Planning from Central Government as well as KRG were trained on health financing and financing in University of Leeds, UK on a two weeks training course.</p> <p>II. Training of twenty two (22) members of the Iraq Parliamentary Committee on Health and Environment on a two day session in WHO Regional Office in Cairo, Egypt on the six building blocks of the Health System as well as key features of the IPSM program, the Functional Review, Sector Assessment Report and the Roadmap.</p>	100%

Qualitative achievements against objectives and results	
<p>A National Iraq Public Sector Modernisation Steering Committee meeting was held 4 June 2012 in Baghdad at the PMAC Office, during which. The Programme Document of Phase II received official endorsement. Subsequently, the programme received a formal letter of endorsement from the Government of Iraq on 10 June 2012.</p>	
<p>UNDP</p> <p>UNDP has been able to effectively continue coordination with different agencies, donors, and the Government during 2nd Quarter. Interactions have significantly increased during this reporting period. Endorsement of the Project Document for the next phase is a significant milestone in PSM programme development and will serve as a future benchmark.</p> <p>The assessment regarding the public administration reform efforts by KRG which was conducted by UNDP has been well-received by KRG and will guide future KRG reforms in the Public Sector.</p>	
<p>UNDP/UN-ESCWA</p> <p>Validation and Launch Seminar of the Participation and Perception Assessment Report, Baghdad-Iraq, 7 May 2012.</p> <p>During this reporting period, UN-ESCWA/UNDP and its national implementing partner, the National Centre for Management Development and Information Technology (NCMDIT), completed all required preparations for and organized the <i>Validation and Launch Seminar of the Joint Report on the Participation and Perception Assessment</i> completing deliverables under Phase I of this project. The Seminar, was organized in Baghdad under the auspices of H.E. the Minister of Planning, Dr. Ali Shukri, on 7 May 2012</p>	

which incorporated recommendations from a series of consultations and expert group meetings during the finalization phase of the report. This resulted in recommendations being embedded in the final version of the report.

The consultative initiatives and participatory efforts to realize the report for *the Validation and Launch Seminar of the Joint Report on the Participation and Perception Assessment* resulted in gathering 117 representatives from various Public Sector Institutions, Provincial Councils and Governorates, the Private Sector and Civil Society. Noteworthy in this regard is the participation of academia and civil society activist alongside high level representatives of all sectors that were covered by the assessment; namely Health, Education, Higher Education and Water and Sanitation.

The Seminar provided a venue for the participating stakeholders, practitioners and beneficiaries to discuss, provide comments and feedback on the report as well as to enrich the report with additional recommendations. The overall appraisal of the report was very positive.

Specific recommendations firstly highlighted the enhancement of participation mechanisms within state institutions, including transparency and accountability mechanisms, and the strengthening of the collaboration between elected local councils and sectoral departments at the local level. The review also considered equally important the modernization of legal and procedural frameworks with specific legislative recommendations endorsed, particularly in relation to the public private partnership (PPP) frameworks. Those representing citizen and public perception, reached a general consensus that inclusiveness in decision making and prioritization processes is very limited, if not non-existent. This resulted in the participants making a call which stressed the importance of efforts from all stakeholders, particularly at the local level, to mobilize and ensure a higher involvement of the constituents themselves.

Noteworthy, was the media coverage that was witnessed during this Seminar with eight (8) television channels covering and disseminating information regarding this event at the national and internal levels, which was supported by the Media Department of the Ministry of Planning.

PSM Study Mission Preparations

UN-ESCWA conducted additional research on the Morocco model and expanded pre-established contacts with academia and public sector institutions. During this quarter an internal exercise was conducted which included exploring the possibility of investing the outcomes of the last planned study mission Phase I into the inception phase, and the anticipated benefit to the Senior Leadership in Government.

As one of the major pillars of Phase II consists in designing reform strategies and establishing institutions to lead this change, UN-ESCWA considered that it would be more beneficial for the GoI to be exposed to Public Sector Modernisation success models in post-conflict settings in an attempt to pinpoint strategy elements and modernization mechanisms that could be more adapted to the general context. This idea of exploring other models was further supported as the Moroccan experience was desiring to focus on Human Resources and/or Anti-Corruption, both of which are issues which have been tackled extensively in past activities and gains recently made.

Education: UNESCO/UNICEF

On June 4 2012 the Iraq Public Sector Modernisation Steering Committee approved the IPSM Phase II Project Document which included planned interventions in the Education Sector. The final Project Document for Phase II was anticipated to be approved by the Iraq Trust Fund Steering Committee by the end of June 2012.

Participating UN Organizations requested a final time extension for Phase I, due to change of scope and additional funding. This request was approved by the Iraq Trust Fund Steering Committee with the scope of work to include an inception phase to allow the participating UN Organizations to undertake the recruitment of a programme manager and complete the activities related to the inception phase.

Water and Sanitation: UN-Habitat/UNICEF

UN-Habitat and UNICEF continued to circulate the approved Water Sanitation Roadmap for Reform to government representatives, donors and other agencies working in the WatSan sector.

Recommendations of the Road Map were presented to the UNDAF Priority Working Group on Water and Sanitation and other public sector reform related bodies.

The completed *Scoping Study on Integrated Solid Waste Management* was circulated amongst relevant stakeholders.

Main implementation constraints and challenges

- The security situation in Egypt and Iraq caused delays in the implementation of the proposed third study tour, therefore, UNWomen is planning to conduct the third study tour in the inception phase.
- The Iraq Public Sector Modernisation Programme Phase II is critical to national development objectives. However, implementation remains contingent on overcoming a number of risks and operational constraints. These primarily relate to;
 - (i) continuing insecurity and limited access to public buildings and officials at the national and sub-national level by international Public Sector Modernisation personnel and
 - (ii) unstable political environment with frequent changes of government focal points in line with a contingent political landscape.

These challenges can be overcome through close and continuous cooperation with government partners at various levels to build a lasting institutional partnership. In the Iraqi context this means that frequent missions to Baghdad and Erbil will continue to be necessary to maintain the level of trust attained.

- On the other hand, IPSM Phase II experienced programmatic and funding limitation during this quarter as the decision was taken to apply a different funding modality than the one adopted in Phase I. The shift of the programme from the ITF to the UNDAF Fund impacted the programme as follows:
 - Substantial contributions and commitments made by major donors – namely EC and DFID – could not be carried over to the UNDAF fund, which required UN participating agencies to revise and prioritize proposed interventions. This resulted in losing almost half of allocated resources;
 - Moreover, parallel government cost sharing is still under discussion and has yet to be confirmed