

APPROVED
28 NOV 2012



UNITED NATIONS DEVELOPMENT GROUP
IRAQ TRUST FUND

To: Jacqueline Badcock *Jacquie Badcock* Date: 28 November 2012
Chairperson of UNDG-ITF Steering Committee.

Through: Usman Akram *U Akram* Ref: SC/BR
Head, UNDG-ITF Steering Committee Support Office a.i

From: Bashar Al-Ali *B Al-Ali*
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APPROVAL OF PROGRAMME REVISION (D)

Programme Number:	C10-11
Programme Title:	Private Sector Development Programme for Iraq (PSDP-I)
Participating Agency:	UNDP(lead), UNIDO, ILO, UNOPS, UN-Habitat, FAO, UN-WOMEN
Programme Start Date:	1 January 2009
Programme End Date:	1 January 2012
First Revision	Movement of funds (UN-WOMEN only)
Second Revision	Movement of funds (UNDP,ILO,UNOPS,UN-Habitat, FAO)
Third Revision	Time extension until 31 December 2012, movement of funds for UNIDO,ILO, UNOPS and UN-Habitat

Type of project variation requested:

- Increase in project budget
- Extension of project duration
- Movement of funds between project budget components *UNDP and ILO*
- Change of project scope

SCSO Comments:

The UNDG ITF budget for this programme is US\$32,870,000. Programme is around 90% complete. Budget and commitments/disbursements figures (as of end of August 2012, all in USD) are detailed as follows:

Agency	Budget	Funds Rcv'd	Committed	% of Rcv'd	Disbursed	% of Rcv'd
UNDP	9,750,000	9,750,000	9,137,102	94%	8,101,575	83%
ILO	3,002,966	3,002,966	2,398,294	80%	2,092,764	70%
UNOPS	5,897,034	5,897,034	4,828,107	82%	4,801,934	81%
UNIDO	7,700,000	7,700,000	6,664,667	87%	4,881,143	63%
FAO	3,300,000	3,300,000	1,947,944	59%	1,831,567	56%
UN-Habitat	2,000,000	2,000,000	1,928,800	96%	1,398,640	70%
UNWOMEN	1,220,000	1,220,000	642,328	53%	585,550	48%
Total	32,870,000	32,870,000	27,547,242	84%	23,693,173	72%



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Background

The Private Sector Development Programme for Iraq (PSDP-I) was launched in January 2009 in order to assist the Government of Iraq in establishing an enabling policy and regulatory environment, conducive to private sector development, as well as strengthened economic recovery in three selected governorates in the south, central and northern areas of Iraq, namely – Basrah, Anbar and Erbil.

A. Request for Budget Revision

UNDP

Movement of funds between budget lines is requested as follows:

- Decrease "Supplies, commodities, equipment and transport" by US\$ 145,247(32%)
- Decrease "Contracts" by US\$ 497,920 (20%)
- Increase "Personnel" by US\$ 302,301 (6%)
- Increase "Training" by US\$ 340,866 (36%)

Justification

UNDP should have submitted this budget revision in April/May 2012. However, due to the structural changes in programme management resulting from unexpected departures of key international personnel, UNDP could not submit the budget revision request on time.

Since the approved budget revision request (in May 2011) was only to cover personnel costs by end of 2011, UNDP requests movement of funds to personnel budget line in order to cover staffing and travel costs during the programme extension period (until 31 December 2012).

In addition, movement of funds to training budget line is requested in order to cover the costs of study tours and trainings that were provided earlier and other activities that are envisaged to be completed by December 2012 (Poland visit for SME development, Private Sector Development Strategy formulation in Istanbul. This results in a significant increase of "Training" budget component.

The requested movement of funds will not have any effect on programme activities as downstream activities (in three governorates) are more focused on the capacity development, (such as the development of electricity distribution master planning). Therefore remaining funds in the "Supplies, commodities, equipment and transport" budget line can be utilized with training budget line. In addition, there are remaining funds under contracts budget line as the second tranche of the micro finance component (in the three governorates) couldn't be released as planned due to the un-fulfilment of requirements in Anbar and Basrah and due to the prolonged selection process and limited qualified Micro Finance institutions (MFIs) in Erbil.



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ILO

Movement of funds between budget lines is requested as follows:

- Decrease Personnel by US\$147,570 (8%)
- Increase Training by US\$ 477,148 (87%)
- Decrease Contracts by US\$297,652 (100%)
- Decrease Other Direct Costs by US\$31,926 (61%)

Justification

With the departure of ILO CTA in September 2012, the funds allocated for the remaining three months of the post salary and travel costs has become available, therefore, ILO requests movement of funds from personnel and other direct costs to training budget line in order to conduct capacity building activities (i.e. a study tour to the ILO HQ in Geneva for the Chairperson and eight members of the Labour and Social Committee of the Council of Representatives). The activity contributes to the Social Dialogue component of Output 1.3 aimed at supporting the sound revision of the Labour Law, following several rounds of comments submitted by the ILO to the Iraqi competent authorities. The study tour was planned to take place in 2011 in collaboration with UNDP and its costs were expected to be covered through other funding sources. However, due to several institutional, organizational and logistical issues, it has not been possible to carry out the study tour in 2011. Its postponement till October 2012 and re-organization under full ILO responsibility, implied additional costs, to be budgeted for in ILO 2012 budget. The total cost of the activity amounts to around US\$100,000. Moreover, additional funds are needed to cover the costs of capacity building activities (economic development planning and Business Development Services) due to the increase in market price.

Since planned activities under contracts budget line was implemented through individual contracts and not corporate, ILO requests to move these funds from contracts to training budget line as per ILO rules and procedures.

The requested movement of funds will not have any effect on programme activities.

SCSO Recommendations:

SCSO recommends approval of movement of funds for UNDP and ILO.

Approval of UNDG ITF Steering Committee

The request for movement of funds (for UNDP and ILO) was electronically reviewed and approved by the UNDG ITF Steering Committee on 22 November 2012.

Approval of the DSRSG / Chairman of the UNDG ITF Steering Committee:

Jacqui Badcock

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