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## **2014 (Fourth) Annual consolidated report on activities implemented under the Iraq UNDAF Fund**

Report of the Administrative Agent of the Iraq UNDAF Fund  
for the period 1<sup>st</sup> of January – 31<sup>st</sup> of December 2014

**Multi-Partner Trust Fund Office**  
Bureau of Management  
United Nations Development Programme  
<http://mptf.undp.org>

31 May 2015

## Iraq UNDAF Fund

### Participating Organizations



Economic and Social Commission for Western Asia (ESCWA)



Food and Agriculture Organization (FAO)



United Nations Children's Fund (UNICEF)



United Nations Development Programme (UNDP)



United Nations Educational, Scientific and Cultural Organization (UNESCO)



United Nations Entity for Gender Equality and the Empowerment of Women (UNWOMEN)



United Nations Environment Programme (UNEP)



United Nations Human Settlements Programme (UN-HABITAT)



United Nations Office for Project Services (UNOPS)



United Nations Population Fund (UNFPA)



World Health Organization (WHO)

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## Abbreviations and acronyms

AA	Administrative Agent
AWP	Annual Work Plan
COR	Council of Representatives of Iraq
CSO	Civil Society Organization
DGBV	Domestic and Gender-based Violence
DRM	Drought Risk Management
DSRSG	Deputy Special Representative of the Secretary-General
ECI	Electoral Commission of India
ELARD	Earth Link and Advanced Resource Development
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
FPU	Family Protection Unit
GoI	Government of Iraq
GRB	Gender Responsive Budgeting
IHCHR	Independent High Commission for Human Rights
IHEC	Independent High Electoral Commission
ILO	International Labour Organization
IPSAS	International Public Sector Accounting Standards
I-PSM	Iraq Public Sector Modernization Programme
IRFFI	International Reconstruction Fund Facility for Iraq
ITF	Iraq Trust Fund
JP	Joint Programme
KBA	Kurdistan Bar Association
KPSM	Kurdistan Public Sector Modernization Project
KRBSA	Kurdistan Region Supreme Board of Audit
KRG	Kurdistan Regional Government
MDG	Millennium Development Goal
MoEn	Ministry of Environment
MoF	Ministry of Finance
MoH	Ministry of Health
Mol	Ministry of Interior
MoLSA	Ministry of Labour and Social Affairs
MoP	Ministry of Planning
MoU	Memorandum of Understanding
MoWA	Ministry of Women's Affairs
MPTF	Multi-Partner Trust Fund
MPTF Office	Multi-Partner Trust Fund Office

NAP	National Action Programme to Combat Desertification
NDP	National Development Plan
NGO	Nongovernmental Organization
PAR	Public Administration Reform
PARHC	Public Administration Roadmap Higher Committee
PCN	Programme/Project Concept Note
PMAC	Prime Minister's Advisory Commission
PSM	Public Sector Modernization
PWG	Priority Working Group
RC	Resident Coordinator
SAA	Standard Administrative Arrangement
SCSO	Steering Committee Support Office
SDS	Sand and Dust Storms
SES	Senior Executive Service
SGP	Strategic Government Plan
TOR	Terms of Reference
TOT	Training of Trainers
UNCAC	United Nations Convention against Corruption
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
UNV	United Nations Volunteers
UPR	Universal Periodic Review
WFP	World Food Programme
WHO	World Health Organization

## Definitions

### **Allocation**

Amount approved by the Steering Committee for a project/programme.

### **Approved project/programme**

A project/programme including budget, etc., that is approved by the Steering Committee for fund-allocation purposes.

### **Contributor commitment**

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent (AA). A commitment may be paid or pending payment.

### **Contributor deposit**

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed SAA.

### **Delivery rate**

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

### **Indirect support costs**

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7 percent of programmable costs.

### **Net funded amount**

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

### **Participating Organization**

A UN organization or other inter-governmental organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

### **Project expenditure**

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

### **Project financial closure**

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

### **Project operational closure**

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

### **Project start date**

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

### **Total approved budget**

This represents the cumulative amount of allocations approved by the Steering Committee.

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## Executive summary

### Introduction

The 2014 Annual Progress Report on Activities Implemented under the Iraq United Nations Development Assistance Framework (UNDAF) Fund (the Iraq UNDAF Fund, fourth in the series) is submitted to the Prime Minister's Advisory Commission (PMAC) and the Ministry of Planning (MoP) of the Government of Iraq (GoI) in addition to the donors of the Iraq UNDAF Fund by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent (AA) of the Iraq UNDAF Fund in fulfillment of the reporting provisions of the Standard Administrative Arrangement (SAA). The information presented in this Progress Report covers the period of 1 January to 31 December 2014.

#### Report structure

The structure of the Annual Progress Report is divided into seven sections as follows:

- Section 1- provides a brief introduction on the Fund and any relevant developments.
- Section 2- outlines the strategic framework
- Section 3- covers governance structure and project approval procedures.
- Section 4- provides a summary of project approvals and overall achievements as highlighted by the Participating UN Organizations.
- Section 5- highlights Fund-level achievements and challenges during the course of the first year of operations.
- Section 6- provides an update on financial performance.
- Section 7- elaborates on Fund accountability and transparency.

### Strategic framework

The first UNDAF for Iraq signed on 5 May 2010, covering the period of 2011–2014, continued to provide a framework for the allocation of resources in 2014. In 2013, the Government of Iraq approved its National Development Plan (NDP) 2013–2017 and in parallel, the Iraq United Nations Country Team (UNCT) undertook a number of steps to develop a new UNDAF covering 2015–2019, ultimately signed by the Government of Iraq in April 2014. To ensure a smooth transition between the UNDAF 2011-2014 and the UNDAF 2015-2019, the Iraq UNDAF Steering Committee extended the duration of the Fund to cover up to 31 December 2016.

### Project approval status

During the reporting period, covering 1 January to 31 December 2014, no new projects were approved by the Iraq UNDAF Fund Steering Committee. The total number of approved projects/Joint Projects (JPs) under the Fund is equal to seven. One project was finalized in 2014 while 2 no cost time extensions have been approved during the reporting period. In 2014, two projects received additional funding bringing the total approved budget to US\$ 36,217,245. In addition, subsequent tranches have been released for previously approved projects for a total of US\$ 6,002,746 bringing the total amount transferred during the reporting period to US\$ 8,272,150 and cumulative transfers as of 31 December 2014 to US\$ 34,341,046.

During the reporting period, from 1 January to 31 December 2014, no new projects were approved. A total of US\$ 3,469,404 was approved by the Iraq UNDAF Fund Steering Committee through electronic approval as additional funding for the two projects P1-05 and P1-06. This brought the total approved funding to US\$ 37,717,247. In addition, approval of the release of subsequent tranches for previously approved projects totaled US\$ 6,002,746, bringing the total net funded amount to US\$ 34,341,046. Table 4-1 below highlights the approval and funding of the projects/JPs under the Fund.

## **Financial performance**

A total of US\$ 4,265,378 in transfers from the United Nations Development Group Iraq Trust Fund (UNDG ITF) was deposited into the Iraq UNDAF Fund in 2014, bringing the cumulative total deposits to US\$ 41,119,745. The total fund earning interest of US\$ 23,696 was reported in 2014, with a cumulative interest amounting to US\$ 131,145. As of 31 December 2014, the total accumulated deposits to the Fund were US\$ 41,119,745.

As of 31 December 2014, total transfers to Participating Organizations were US\$ 8,272,150 which included an additional US\$ 3,469,404 was approved by the Steering Committee in addition to previously approved projects, leaving a balance of US\$ 6,074,786 with the Administrative Agent (AA) in the Iraq UNDAF Fund account. During the reporting period, total expenditure reported was US\$10,720,131 bringing total cumulative reported expenditure to US\$ 24,998,404.

## 1. Introduction

The 2014 Annual (Fourth) Progress Report on Activities Implemented under the Iraq UNDAF Fund is submitted to the Prime Minister's Advisory Commission (PMAC) and the Ministry of Planning for the Government of Iraq (GoI), as well as the donors to the Iraq UNDAF Fund by the UNDP Multi Partner Trust Fund (MPTF) Office, in its capacity as the AA of the Iraq UNDAF Fund in fulfillment of the reporting provisions of the SAA. The information presented in this Progress Report covers the period 1 January to 31 December 2014.

In April 2014, the United Nations Country Team (UNCT) and the Government of Iraq (GoI) signed the second UNDAF to be implemented over a period of 5 years covering 2015 to 2019. The new UNDAF represents the collective efforts of the UN Agencies, Funds and Programs active in Iraq, alongside the GoI, to improve the lives of all Iraqis during these challenging times. The main focus of the new UNDAF covers two priorities: strengthening the capacity of state institutions to effectively respond to the needs of Iraqis; and addressing acute vulnerability and participation gaps. The 2015-2019 UNDAF was developed in consultation with the UNCT, the GoI, and other partners. It has been prepared in line with the new National Development Plan (NDP) 2013-2017 and the Millennium Development Goals (MDGs); it builds on the key development issues identified by the Country Background Synthesis Report prepared by the UNCT in 2013. To ensure a smooth transition to the new UNDAF 2015-2019, the Iraq UNDAF Steering Committee approved the extension of the Fund's duration up to 31 December 2016.

2014 remained challenging and difficult for Iraq given high levels of insecurity, political upheaval and a faltering economy. Since January 2014, many areas of Anbar governorate have been under the control of armed groups, and on 9 June 2014 the city of Mosul fell to the Islamic State organization who took control of large parts of Ninewa, Salah Al-Din, and Diyala governorates. As result, this has left Iraq coping with one of the largest Internally Displaced Population (IDP) globally, and a humanitarian catastrophe of exceptional proportions with a total of five million individuals affected by the crisis. It is estimated that over 2.7 million people have been displaced since January 2014 and additional 2.2 million individuals are located in areas controlled by ISIL for which security and access to humanitarian assistance remains the main concern. As a mitigating measure to allow for a rapid humanitarian response to the emergency, on August 2014, the Inter Agency Standing Committee (IASC) elevated the crisis in Iraq to a Level 3 emergency system-wide. In addition, a total of 235,563 Syrian refugees were registered in the country in 2014. Civilian casualty levels remained high and reached their peak in recent history with UNAMI recording 12,282 killed and 23,126 injured. Continued insecurity within Baghdad coupled with the massive influx of displacement to the North ultimately led to the relocation of the majority of UNCT staff to Erbil shifting their focus from the development to the humanitarian portfolio. The fluidity of the security situation hampered and in some cases halted several development activities. This has led to several UNDAF funded project implementation to inevitably suffer attributed to the deteriorating security situation, the political instability, and delays in approving the budget law for 2014. To guarantee completion of activities planned, the Committee approved two requests for no-cost time extensions in 2014. Additional requests for no-cost time extension have been approved in the first quarter of 2015.

The information contained within the remainder of the report is consolidated based on information and data provided in the individual progress reports prepared at country level and financial statements submitted by Participating Organizations at headquarter level to the MPTF Office; as well as information on decisions taken by the Iraq UNDAF Steering Committee throughout the course of the reporting period. It is neither an evaluation of the Iraq UNDAF Fund nor the MPTF Office's assessment of the performance of the Participating Organizations—tasks which belong to an independent evaluation.

## 2. Strategic framework: A transition period

The UNCT for Iraq and the GoI developed the first UNDAF 2011–2014, which served as the strategic framework for the Iraq UNDAF Fund allocating approximately US\$ 34 million since 2011. The UNDAF and the UN trust fund were designed at the completion of a massive resource flow. This strongly influenced the shaping of the UNDAF, which undertook to address a very wide array of national issues.

In 2013, to support the new NDP 2013-2017 for Iraq, the UNCT commenced preparations of a new UNDAF for 2015–2019. Two Strategic Prioritization Retreats took place in Baghdad and Erbil in January and February 2014 respectively, during which the UNCT, the GoI and the KRG reached an agreement on the strategic priorities, leading to the drafting of the main outcomes and outputs for the UNDAF 2015-2019. Subsequently, the UNDAF document was signed in April 2014 jointly by the GoI and the UN.

The governance mechanism in place for the UNDAF 2011-2014 continued to operate during 2014, with a main focus on financing and ordinary operations necessary to ensure business continuity of projects funded by the UNDAF TF. As a measure to ensure full implementation of the remaining activities the UNDAF TF closing date was extended to 31 December 2016 enabling a smooth transition to the new UNDAF 2015-2019. As for the new UNDAF governance mechanism, it has been defined to encompass the High Level Committee, Programme Working Group, Trust Fund, and Joint Programme Groups with an aim of ensuring full operational status in 2015.

### 2.1 Iraq UNDAF 2015–2019

The new UNDAF, jointly signed by the UNCT and the GoI April 2015, is framed explicitly as a conflict transition strategy seeking to build cohesion in a country with a rapidly fraying social fabric. It aims to strengthen the legitimacy of government and counter the marginalization of components of the Iraqi society. The new UNDAF provides a promising vehicle for coherent UN engagement to support the new Government's programs and its various efforts at national reconciliation. The UNDAF also strongly reflects the outcomes of the Post 2015 consultations in Iraq with its emphasis on sustaining and building on progress against the MDGs, and addressing weaknesses in governance, human rights and inequitable development. The UNDAF should contribute to building the institutions of state and the sense of nation which ultimately will contribute to strengthening social cohesion and national reconciliation within Iraq.

The Iraq UNDAF strives to complement the NDP by addressing two priority areas:

- Enhancing the performance and responsiveness of targeted national and sub-national institutions.
  - Outcome 1: Strengthen targeted government institutions' capacities for accountability, equitable and quality services provision.
  - Outcome 2: Enhance national and sub-national government capacities for evidence-based decision making.
- Addressing acute vulnerability and participation gaps.
  - Outcome 1: Strengthening resilience through enhanced government and community disaster risk management.
  - Outcome 2: increasing economic and livelihood opportunities for women and youth in both public and private sectors.

-Outcome 3: Increasing inclusion of women and minority groups in decision making processes on development issues at national and sub-national levels.

-Outcome 4: strengthening capacity of civil society to promote behavior change through raising awareness of social rights and issues among the vulnerable population and to advocate for government accountability, transparency and provision of equitable and high quality services.

A total of US\$ 838 million is required to achieve the UNDAF Outcomes of which US\$ 136 million have been secured by the UNCT members. US\$ 363 million is sought for programmes to improve the performance and responsiveness of targeted national and sub-national institutions (Priority A) while US\$ 475 million is sought to address acute vulnerability and participation gaps (Priority B).

### **2.1.1 Adapting to the changed resource base**

External funding for development declined significantly during the past four years. In addition, the humanitarian crisis which has followed the advance of the Islamic State has increasingly diverted funding from development programmes toward the response to the emergency.

To address the declining resources available to the UN, and given that Iraq is potentially a net contributor country, the possibility of shifting from a co-financing mechanisms to a GoI fully financed mechanism has been explored. Following the establishment of the Kurdistan Vision 2020 Joint Programming Facility, similar mechanisms have been considered with a number of governorates that have signaled interest in financing UN programmes, with specific emphasis on oil rich southern governorates.

During the reporting period, the Kurdistan Vision 2020 Joint Programming Facility established in 2013 became operational. In 2014, US\$ 5.6 million of the US\$ 16 million pledged were contributed by the Kurdistan Regional Government. Thirteen projects (of which 11 are Joint Projects) have been approved and 10 remain in the pipeline for approval by the KRG Ministry of Planning.

## **3. Governance arrangements**

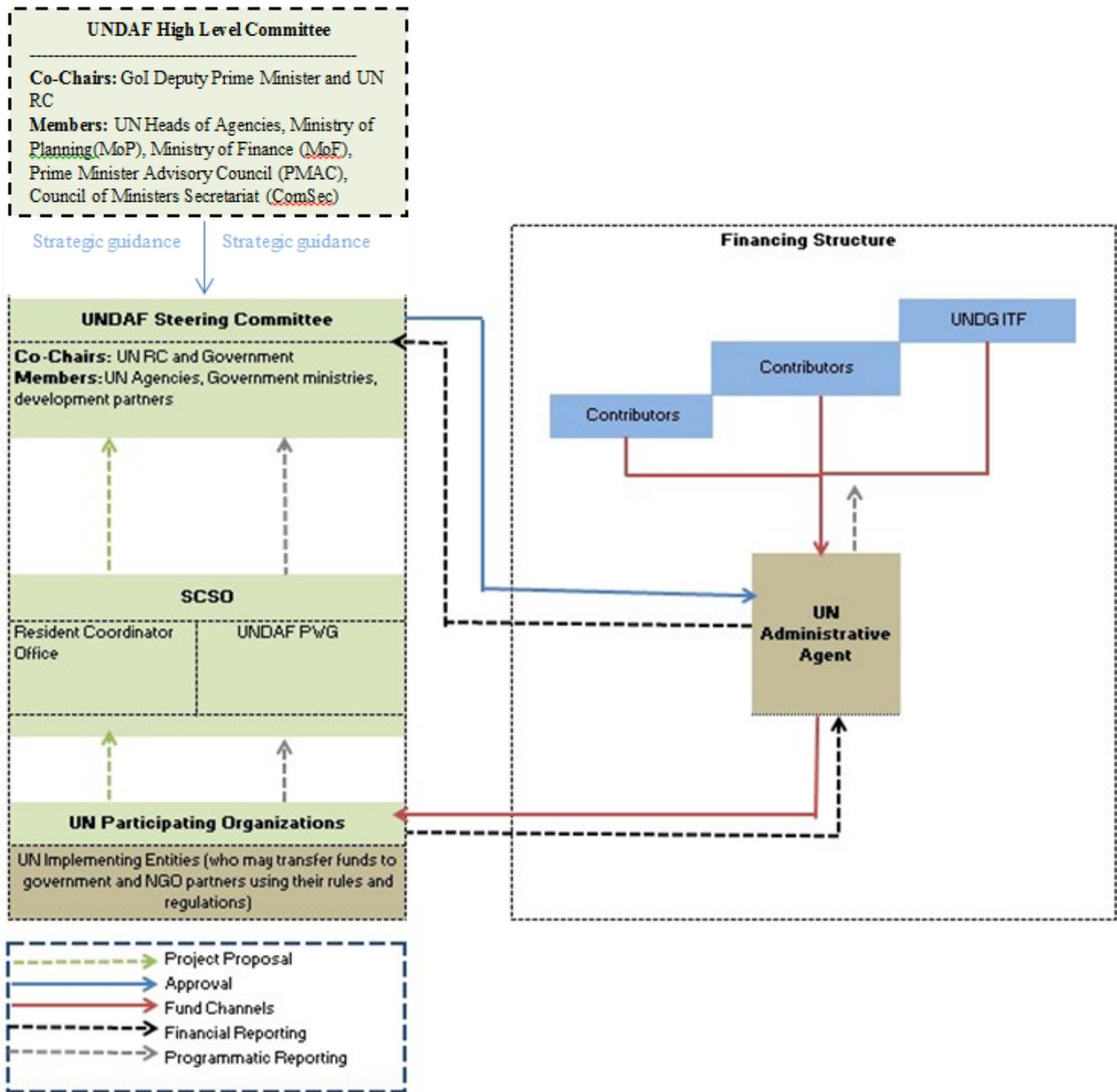
### **3.1 Governance arrangements**

The governance mechanism in place for the UNDAF 2011-2014 continued to operate during 2014, mainly in the capacities connected with the financing of the UNDAF TF projects under implementation, and ordinary operations necessary for the continuation of the projects funded within the UNDAF TF. The UNDAF TF closing date has been postponed until 31 December 2016 to ensure full implementation of remaining activities and a smooth transition to the new UNDAF 2015-2019. The Iraq UNDAF Fund operates within the UNCT coordination structure to ensure interagency, donor, and government participation in identification, design, development and approval, as well as implementation and monitoring of the Iraq UNDAF Fund activities. The governance arrangements for the Fund are based on the UNDAF coordination structures in an effort to avoid duplication, maximize resources and encourage harmonization. Therefore, the Fund utilizes the UNDAF arrangements outlined below, while ensuring that the Fund management, oversight and other functions are equally provided for within the scope of the various structures.

The following section outlines the roles and processes, and describes how they contributed to the overall governance and accountability of the Iraq UNDAF Fund.

### 3.1.1 Iraq UNDAF Fund governance structure

Figure 3-1 Iraq UNDAF Fund Governance Structure



### 3.1.2 The High Level Committee and the Steering Committee

The joint High Level Committee (HLC) was established by the UNCT and the Government of Iraq to provide the overall strategic direction for the UN-GOI development partnership. The HLC, Co-Chaired by the Deputy Prime Minister and the Deputy Special Representative of the Secretary-General (Development & Humanitarian/UN Resident Coordinator, RC) periodically reviews achievements and strategic management issues arising from the implementation of the UNDAF, and take decisions to adjust the scope and geography to ensure achievement of

agreed results. The Membership consists of UN Heads of Agencies (HoAs), and high level representation from the Ministry of Planning (MoP), the Ministry of Finance (MoF), the Prime Minister's Advisory Council (PMAC), and the Council of Ministers Secretariat (CoMSec).

Based on the strategic directions provided by the HLC, the UNDAF Steering Committee (SC) coordinates and oversees the operations of the Iraq UNDAF Fund and provides overall strategic guidance and oversight, as well as acts as a decision making body for fund allocation. The SC is co-chaired by the Government (Chairman, PMAC) and the UN (Resident Coordinator with balanced representation from the GoI and the UN, including representation from line Ministries, the UNCT and donors contributing to the Fund. The SC meetings were limited to one in 2014 as a result of the escalation in violence and the ongoing humanitarian crisis. The membership remained the same for years 2013 and 2014. The SC membership should be reviewed in 2015.

### **3.1.3 Steering Committee Support Office (SCSO)**

The mandate of the SCSO, under the supervision of the Deputy Special Representative of the Secretary-General (DSRSG)/RC, is to support and facilitate the work of the Steering Committee, including assistance in proposal development, as well as review of submissions prior to the Steering Committee's approval. The SCSO tracks the status of the proposals, provides advice to the Participating UN Organizations and Steering Committee, and follows up on decisions taken by the various contributing structures to ensure timely follow-up and adherence to agreed Iraq UNDAF Fund procedures.

### **3.1.4. The UNDAF Programme Working Group**

The UNCT and GOI will jointly manage the UNDAF through a Programme Working Group comprised of all Agencies, Ministries and other partners contributing to the achievement of the UNDAF outcomes and sub-outcomes. The group will be responsible for managing the collective effort toward outcome achievements. It will rely on regular inputs from a Monitoring and Evaluation (M&E) Group for evidence-based decision-making. It will report every six months to the High Level Committee and, where necessary, it will propose revisions of strategies or outcomes to the High Level Committee.

### **3.1.5. The Joint Programme Groups**

Joint government-UN groups will be formed to oversight governance of additional trust funds that may be established at governorate level. The groups will be responsible for management of implementation, and allocation of resources, towards fund objectives. As the objectives of the funds should remain consistent with the UNDAF outcomes, these groups may be sub-sets of the Programme Working Group. Multi-agency groups will also be established with national partners on an ad hoc basis. They may be organized whenever several agencies are working on Joint Programmes with common sub-outcomes or outputs, or collaborating in specific geographic areas. These will be operational groups mainly focusing on management of implementation, and will primarily be responsible for focusing on achievement of the programme goals.

### **3.1.6 Administrative Agent (AA)/Multi-Partner Trust Fund Office (MPTF Office)**

The role of the MPTF Office, as the AA for the Iraq UNDAF Fund, includes the receipt, administration and management of contributions from donors, disbursement of funds to Participating UN Organizations in accordance with decisions of the Steering Committee, consolidation and dissemination of progress reports to the MoP and donors. The consolidated report produced by the MPTF Office presents the progress of the projects funded by the Iraq UNDAF Fund, narrative and financial, aligned to the PWG structure. Through the MPTF Office GATEWAY, a public website on all MPTFs administered by the MPTF Office, it ensures full transparency of the operations of the Iraq UNDAF Fund.

### 3.2 Programme/project development, review and approval procedures

The Iraq UNDAF Fund proposal formulation, review and approval process, including required templates and policies, are outlined in detail within the annexes of the Fund's Terms of Reference (TOR) and summarized below:

- **JP/Project Concept Note (PCN):** The Participating UN Organization(s) will prepare a JP/PCN in consultation with the GoI partner(s.) The JP/project should be in line with UNDAF priorities and should follow the UNDG guidelines. The JP/project will reflect the UN's programming principles and will ensure the mainstreaming of crosscutting themes, inclusive of human rights; the Millennium Declaration and MDGs; youth, gender, peacebuilding and reconciliation; and employment and decent work approaches.
- **JP/Project Document:** The coordinating UN Organization develops a JP document (involving two or more UN Organizations) or a project document (involving a single UN Organization) with the relevant line ministry(s) utilizing the provided template.
- **JP/Project Approval:** The SCSO will submit the JP/project document to the Fund Steering Committee for its approval.
- **Transfer of Funds:** Based on the approval of the Steering Committee, and the signed JP/project document by Steering Committee Co-Chairs and implementing UN Organizations, the MPTF Office transfers approved funds to the Participating UN Organizations within three to five days.

## 4. Project/programme approvals and achievements

During the reporting period, from 1 January to 31 December 2014, no new projects were approved. A total of US\$ 3,469,404 was approved by the Iraq UNDAF Fund Steering Committee through electronic approval as additional funding for the two projects P1-05 and P1-06. This brought the total approved funding to US\$ 37,717,247. In addition, approval of the release of subsequent tranches for previously approved projects totaled US\$ 6,002,746, bringing the total net funded amount to US\$ 34,341,046. Table 4-1 below highlights the approval and funding of the projects/JPs under the Fund.

**Table 4-1 2014 Approved Projects/Programmes, Cumulative as of 31 December 2014\***

Project #	Date of Transfer	Project Title	Approved Budget	Total Transferred	Agency
P3-01	29 Aug 11 7 Mar 13	Development of National Framework for Integrated Drought Risk Management (DRM) in Iraq	479,884 280,000	759,884	UNDP, UNESCO FAO, UNEP
P1-01	9 Mar 12	Empowering CSOs in Iraq	2,221,818	2,221,818	UNDP
P1-02	9 Mar 12	Family Protection, Support, Justice and Security for Survivors of Domestic and Gender-Based Violence	3,967,880	3,171,652	UNDP, UNICEF
P1-03	9 Mar 12	Institutional Development of the Anti-Corruption Academy	2,727,273	2,727,273	UNDP
P1-04	13 May 12	Enhancing Transparent Participatory Governance and Human Rights	3,091,526	3,091,526	UNDP
P1-05	17 Oct 12 20 Mar 14 21 Oct 14	Iraq Public Sector Modernization (I-PSM) – Phase II	17,845,412 1,200,000 1,600,000	19,565,438	UNDP, UNICEF, UNESCO, UNESCWA, UNFPA, UN-HABITAT, WHO, UNWOMEN
P1-06	7 Oct 13 21 Oct 14	Institutional Development Support to the IHEC Phase II	2,134,050 669,404	2,803,454	UNDP, UNOPS
<b>TOTAL</b>			<b>36,217,245</b>	<b>34,341,046</b>	

\* Due to rounding of numbers, totals may not add up.

### 4.1 Programme achievements

#### 4.1.1 Priority area: environment

##### *P3-01: Development of national framework for integrated DRM in Iraq*

#### Project/programme objectives and rationale

The GoI and the High Level Committee for Disaster Risk Reduction (HLCDRR) have identified drought as the most pressing socio-economic and environmental disaster facing Iraq, and have called on the United Nations to provide support in formulating a national framework for integrated Drought Risk Management

(DRM) and development of Sand Dust Storm Programme. Since 2011, UNDP, UNESCO, UNEP and FAO have jointly implemented an integrated programme on DRM, Sand and Dust Storm (SDS), and Desertification (DRM/SDS/National Action Programme to Combat Desertification [NAP]) funded through the UN Development Assistance Framework. The main objectives of the joint Programme were to formulate a national framework to guide Iraq's Drought Risk Management (DRM) and to develop a Programme on Sand and Dust Storms (SDS), including a Plan of Action and recommendations for the Government and partners to develop necessary policy and undertake programmatic measures for preparedness, mitigation and risk management that addresses Iraq's commitment to the MD/MDGs. The project was completed during the reporting period on 31 March 2014.

### **Programme achievements and results**

Interventions through UNDP, UNESCO, UNEP and FAO have enabled the government to institutionalize policy and operational frameworks to better prevent and mitigate natural and manmade disasters. Iraq has become more responsive to its commitments to all international conventions pertaining to climate change, sustainable management and conservation of natural resources.

UNDP proposed 35 mitigation measures to reduce the risk of droughts in the future. UNDP also proposed the creation of a Drought Risk Management Center (DRMC) a specialized unit which includes minimal secretarial staff and acts as a technical secretariat to the Steering Committee.

UNESCO completed its analysis report "*Integrated Drought Risk Management – National Framework for Iraq*" revealing governorates in the southern and north-western parts of Iraq as being severely drought-affected in comparison to governorates located in the northern and north-eastern parts of the country, where the frequency of drought is significantly lower. UNESCO provided a series of recommendations with a strong focus on data gap elimination, to strengthen data availability and communication networks, as well as education and public awareness campaigns geared at promoting efficient use of water for effective drought planning and preparedness particularly with younger generations.

UNEP proposed the SDS National Programme aimed at 1) enhancing capacities for dust storms measurement, monitoring and early warning, and 2) adopting mitigation measures considering its livelihood and ecosystem approaches in ecosystem restoration, sustainable water resources management, soil quality management and community-based resilience. The project was finalized in March 2014.

#### **4.1.2 Priority area: governance**

##### ***P1-01: Empowering CSOs in Iraq***

#### **Project/programme objectives and rationale**

UNDP and UNOPS<sup>1</sup> are building the capacity of chosen Civil Society Organizations (CSOs) which aims at holding the Government accountable in the areas of promotion of adequate service delivery, anti-corruption, and human and civil rights. Through encouraging CSOs to form a consortia, the project is transferring know-how whilst working on concrete issues. The Project is also contributing to opening up permanent and sustainable channels between CSOs and Government. These channels will allow the voices of civil society to be heard and taken into account in policymaking.

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<sup>1</sup> This project has two separated components. The UNDP component is funded under the Iraq UNDAF Trust Fund while the UNOPS component is bilaterally funded by DANIDA to UNOPS and respectively UNOPS reports directly to DANIDA. This report therefore covers the UNDP component of the project.

## **Programme achievements and results**

The main achievement of the project in 2014 is represented by the creation of a momentum for CSO support by demonstrating a good practice model for CSO grants. A law proposal that will allow for state sponsored grants to support CSOs in Iraq has been drafted and put forward during the reporting period. Thirty one CSOs are benefitting from grants and capacity development which have allowed them to effectively engage in citizen-led oversight mechanisms, and to take actions to hold the government accountable. Those 31 CSOs are engaged in implementing interventions related to Human Rights, Anti-Corruption and Service Delivery. At the same time the CSOs have benefited from a comprehensive accompaniment mechanism that is addressing demand-based capacity issues. As a result, CSOs have gained credibility and professionalism and public authorities are increasingly accepting them as partners for positive change in Iraq. The project has developed trust-based partnerships with the CSO parliamentary Committee, the NGO Directorate, equivalent authorities at Kurdistan Regional level and the CSO community at large.

Eight projects, under implementation by eight grantee CSO Consortia since May 2013, were successfully completed at the end of April 2014. These projects, which covered most governorates of Iraq, aimed at holding the government accountable in the areas of human rights, corruption and service delivery. A second CSO Peer Knowledge Exchange Workshop took place in Erbil in February 2014 allowing for networking among CSOs and with representatives of Local Governments. Overall, the capacity of the CSOs increased in the areas of internal governance, project management and technical capacity, partnerships and relationships, services and operational effectiveness, and financial management. These improvements are observed and reported by the field facilitators, and result from self-assessments and Capacity Assessment. In addition, during the reporting period, UNDP has initiated discussions with the NGO Directorate to provide institutional development technical support in creating a CSO Capacity Development Unit.

The coordination and cooperation with UNOPS has been excellent throughout 2014 with a real added value result. UNDP and UNOPS have been working autonomously on their components but have shared information, experiences and mutually supported each other during different implementation stages as one single team. The partnership with UNOPS has also allowed the ensuring of linkages with Kurdistan Region CSO related authorities.

### ***P1-02: Family Protection, Support, Justice and Security Programme***

#### **Programme objectives and rationale**

UNDP and UNICEF, in conjunction with Iraqi stakeholders, are supporting the Government of Iraq's efforts in creating a strategy to ensure that victims of domestic and gender based violence are offered refuge, reintegration, and access to justice. This project provides comprehensive technical and advisory support and extensive capacity development for key stakeholders including the Ministry of Interior (MoI), Ministry of Labour and Social Affairs (MoLSA), Ministry of Women's Affairs (MoWA) as well as NGOs, CSOs, and international support missions.

#### **Programme achievements and results**

In 2014, the project, as part of the larger programme addressing access to justice for women and survivors of domestic and Gender-based Violence (DGBV), has positively contributed to the improvement of the delivery of justice services, refuge and reintegration, to victims of domestic and gender based violence. The provision of technical expertise, and the implementation of institutional capacity and capacity building programmes, has significantly strengthened the capacity of GoI and KRG capacity to combat DGBV.

UNDP continued to provide technical advisory support to the Domestic Violence Bill, and continued to follow up on the progress made by the Committee of Expert, chaired by Ministry of Women Affairs (MoWA), to ensure

that the Draft of Domestic Violence Law at federal level is submitted to the Parliament for adoption. With UNDP support, a forum has been established between Judiciary and DCVAW for regular meeting and discussion on DV law and required amendment.

During the reporting period, the first national database for tracking cases of domestic and gender-based violence in Kurdistan region, as well as in central and southern Iraq has been finalized and it is now fully operational. The database is a milestone in Iraq's efforts to tackle violence against women. Evidence-based information is pivotal to bringing changes at policy and community levels. The national database will constitute the single detailed source of information on domestic and gender-based violence to inform law enforcement, regional statistics and policy-making.

Remarkable steps have been taken to institutionalize the provision of the free legal aid services in Kurdistan Region, through the development and finalization of Legal Aid Law in KR-I, which is expected to be submitted and adopted by Kurdistan Parliament in 2015. This will ensure the institutional sustainability of legal assistance by law. The law has been developed in close coordination and consultation with relevant counterparts including; Judicial Counsel, Ministry of Justice, Judge Union, KBA, DCVAW, Human Rights Board, legal committee at Kurdistan Parliament and CSOs.

During the reporting period, UNICEF and MoLSA have engaged with the American University of Beirut (AUB) to develop National Child Protection Policy. A Child Protection Situation Analysis has been completed, and a policy option paper has been developed by the AUB and shared with UNICEF and MOLSA for review and consideration as contributing document to the development of the Iraq Child Protection policy. Both the Policy Option paper and the learning from the four options Child Protection from other countries will inform the working modality for the drafting of the Iraq Child Protection Policy.

UNDP supported the Ministry of Interior in establishing a training unit to enhance institutional capacity to combat domestic violence. During the year, UNDP also provided six trainings to 158 male and female staff of DCVAW, in different specialized areas to enhance their capacity in: recording and reporting DV and GBV cases using the professional database developed by UNDP; providing services to DV and GBV cases; and communication and awareness rising about the services provided by the Department.

In response to the humanitarian crisis in KR-I and Anbar governorates, 6 additional legal assistance centers have been established and are fully operational inside Refugee and IDP camps, targeting women and girls survivors of SGBV and Trafficking among the Refugee and IDPs. Through 12 court based legal helpdesks and legal center inside IDPs and Refugee camps, 15,423 people have benefitted from the services of the legal help-desk throughout Iraq – 935 received full legal representations (791 Female, 144 Male), 3,001 received one-one-on legal consultation and follow up (1952 Female, 1049 Male), 1487 received social services (1316 Female, 171 Male) and 10,000 people received legal awareness and information.

In 2014, UNICEF implementing partner Human Rights Defenders Organization has established a referral pathway between NGOs, Directorates and prosecution offices. In total 132 children received legal assistance while 79 children provided with legal representation.

At federal level, with UNDP support, MoWA has agreed to establish the first shelters for the survivors of GBV in both Baghdad and Basra governorates. A committee co-chaired by MoLSA and UNDP and with members from Ministry of Education, Ministry of Health and High Council of Women, has been established to follow up on the adoption of the policy. The committee identified the shelter needs and agreed action plan for the adoption of the policy.

### ***P1-03: Institutional development of the Anti-Corruption Academy***

## **Programme objectives and rationale**

In March 2008, the GoI became a signatory to the United Nations Convention against Corruption (UNCAC) as part of its effort to minimize opportunities for corruption and improve the delivery of services. Iraq has endorsed an Anti-Corruption Strategy which links with the current Iraq NDP, with the Commission of Integrity as the focal point for UNCAC. In December 2010, the Commission of Integrity developed an Anti-Corruption Academy and has since then expanded the structure to include Treaties and Conventions, Planning, Performance Evaluation, under the Directorate of Scientific and Technical Affairs. In May 2013, a Regional Forum based on an International Forum on Integrity and Anti-Corruption was convened during which one of the recommendations of the 11 countries represented was praise for the role of the Commission of Integrity for the establishment of the Anti-Corruption Academy, which is considered as a unique model in the region and can provide technical support for other anti-corruption organizations in the region.

The purpose of the Institutional Development of the Anti-Corruption Academy project, initiated in 2012, is to contribute to strengthening the Iraq anti-corruption agencies to be knowledgeable, skillful, motivated and committed and to carry out their functions effectively. UNDP's primary partner is the Commission of Integrity and its directorate, the Anti-Corruption Academy. The project closely collaborates with the established Technical Committee.

## **Programme achievements and results**

During the reporting period, the ACA has achieved the capacity to undertake its functions effectively, and the ability and capacity to deliver its services, and to oversight agencies through developing the skills of their staff members and leaders. The Commission of Integrity (CoI) has approved the structure of the Anti-Corruption Academy, and the ACA has become an official Directorate of the Federal Commission of Integrity

The ACA is delivering specialized and professional training, and contributes to the development of the anti-corruption body. The establishment of the online and continuous training functions is in progress to crown the overall achievements. ACA profile including the mission, vision and corporate statements have been conceptualized, developed and made known for the audience. Platform for the ACA image, publicity and partnerships have been developed.

Twenty curricula for the Anti-Corruption Academy were developed and approved by the CoI/ACA. Based on the developed curricula, planning and design have been initiated for training of trainers (ToT) for the ACA instructors. The trainings will start at the beginning of 2015.

Despite some delays in the progress due to unforeseen factors as violence escalation in the country and changes within the GoI, the quality of the achieved outputs so far is satisfying and earned a positive feedback by the GoI.

### ***P1-04 Enhancing transparent participatory governance and human rights***

#### **Project/programme objectives and rationale**

The project, initiated in mid-2012, aims to promote transparent participatory governance and strengthen human rights in Iraq. The framework has four outputs, focusing on strengthening human rights and transparency through participatory governance mechanisms. The first output is to support the mandate and organizational structure of the Independent High Commission for Human Rights (IHCHR), including the establishment of sub-national commissions. The second output is to provide long-term institutional development of the Human Rights Commission and its outreach capabilities through participatory governance mechanisms. The third output is to combat corruption through the promotion of accountability, integrity and transparency at all levels of government, including support for the establishment of a new independent Kurdistan Region Commission of Integrity. The fourth output is to utilize CSOs to promote participatory and

transparent governance, which includes financial and technical support to CSOs to enhance their engagement with Parliament and a nationwide campaign on the National Anti-Corruption Strategy.

### **Programme achievements and results**

In 2014 most of the activities related to the Independent High Commission for Human Rights (IHCHR) have been successfully carried out: strengthening the organizational structure of the Human Rights Commission, provision of training to the Commission core staff and enhancing their capacity on investigations; report writing and documentation of human rights violations. UNDP, in coordination with the Jordanian National Human Rights Center (JNHRC), organized training in Amman which established a network between the JNHRC and the Independent Board for Human Rights (IBHR). Training was provided to members from the national and regional Human Rights Commissions and an agreement was reached to establish a regulatory framework to link the work of the two institutions. A Memorandum of Understanding will constitute the regulatory framework to guide joint reporting and joint collaboration without compromising the national mandate of the IHCHR and the regional mandate of the IBHR.

During the reporting period, UNDP supported the establishment of the Human Rights Civil Society Board, and continued to provide technical advisory support to the establishment of the Human Rights Advisory Board that will support the work of the Human Rights Parliamentary committee. The Board will be officially launched during the first quarter of 2015 and it will bring the CSOs and communities prospective to the legislative institution and will strengthen the consultations and partnership between the Civil Society and the COR.

During the reporting period, a comprehensive capacity building program for the Kurdistan Board of Supreme Audit (KBSA) was developed. Small grants were disbursed to enable 6 NGO's to promote and raise awareness on Human Rights protection in different communities in Iraq. Six consultations took place around Iraq with interested NGOs in order to develop the most appropriate strategy for establishing a Human Rights Advisory Board for the IHCHR. The consultations resulted in the development of the selection criteria to form the first Human Rights CSOs Advisory Board.

Six NGO projects on human rights were successfully completed in 15 March 2014 with the support of UNDP and the Office of the High Commissioner for Human Rights (UNAMI/OHCHR) while other 11 NGO projects in anti-corruption, were successfully completed in August 2014.

### ***P1-05: Iraq Public Sector Modernization (I-PSM) – Phase II***

#### **Project/programme objectives and rationale**

The Iraq - Public Sector Modernization (I-PSM) Programme is a Government-led UN JP supporting Iraq's Strategic Government Plan (SGP) 2015–2019 and its NDP 2013–2017. The programme is fully aligned with UNDAF 2011– 2014, and has four themes: i) Developing policy and building machinery at the center of government for managing Public Sector Modernization (PSM); ii) Supporting system-wide reform for development management, gender mainstreaming, e-governance and national statistics; iii) Piloting reform in the three key sectors of health, education and water and sanitation (Watsan); and iv) Supporting decentralized service delivery and local governance initiatives. This phase of the programme builds on lessons learned and recommendations emerging from the implementation and external evaluation of the I-PSM Phase I. I-PSM Phase I is the foundation for the analytical assessment and preparatory work enabling the Government to develop a system-wide public administration reform (PAR) plan, as well as sector-specific modernization plans for three pilot sectors and three pilot governorates. In 2014, the IPSM received additional US\$ 2.8 million from the UNDAF TF to support the implementation of UN-supported PAR activities.

## **Programme achievements and results**

The Programme continued to bring together all national stakeholders concerned, and created a common platform for cooperation between and amongst participating UN Agencies and national counterparts. With support of the participating UN Agencies, IPSM has achieved two of the five key principles of Paris Declaration 2005; “*Alignment*” and “*Ownership*” by aligning IPSM Programme activities with the PAR Agenda and by developing the PAR Roadmap and respective AWP in a participatory consultative manner engaging key national stakeholders.

During the reporting period, the IPSM Joint Management Unit has established an effective coordination mechanism, which meets regularly on monthly basis to discuss achievements, obstacles and means of programme improvements. These periodical meetings secured cohesiveness and a unified programme approach, which translated into coordinated interventions at federal, regional and local level.

In addition, as part of the support provided to the PAR Management Committee, the PUNOs developed a Monitoring and Reporting System based on RBM principles to record achievements and progress against planned results within the PAR Roadmap. The System’s conceptual and procedural frameworks have been finalized, automated by the COMSEC’s IT department, and tested. It is expected that by Q2-2015 reporting on PAR implementation will be performed by implementing agencies through the web-based system.

The first draft of 2014 AWP for PAR activities in Basra, Al Najaf and Salah Al Din governorates was developed through a series of participatory planning workshops during the first quarter of the year. However, the mentioned governorates couldn’t implement the work plans due to the absence of annual budget law of 2014, and because of the deteriorated security in the governorate of Salah Al Din since the third quarter of the year.

In 2014, the PUNOs provided technical support to the Prime Minister’s Office (PMO), COMSEC, PARHC, the newly established PARMC, and Ministerial PAR Committees, to strengthening the training capacity of both the federal and regional governments. The enhancement of National Statistical Systems and e-governance systems application has improved accountability within the administrative structures. In particular, the National Statistics system was modernized in the fields of law, policies, and dissemination.

Even if the activity implementation rate of reform and modernization plans in Education, Health and WATSAN sectors were moderate, reform and modernization plans in the three sectors were developed: the HEMIS Gap analysis, the National Health Accounts, the Roles and Responsibilities document for Ministry of Health, Water Demand Management Study for Iraq are some examples.

On Education Sector, six thematic studies on School Based Management to support sub-national governance and decentralized service delivery systems were completed and translated into Arabic and Kurdish. On Water and Sanitation, a Water Demand Management Study for Iraq was completed; while on Health Sector, the National Health Policy was formally launched, and an action plan for decentralization process of the Health Sector was developed in 2014.

A National Network on Gender Responsive Budget (GRB) which comprises different line ministries and Gender Responsive Budget teams were established during the reporting period. In addition, an awareness-raising program was launched, and Training of Trainers (ToT) modules on GRB were developed and delivered.

### ***P1-06: Institutional development support to the IHEC Phase II***

#### **Project/programme objectives and rationale**

The project is the second phase of the Institutional Development Support to the Iraqi Independent High Electoral Commission (IHEC). The aim of the project is to continue to build the institutional capacity of the

IHEC in its preparation for the conduct of free, fair and credible Council of Representative elections in April 2014. Within the project, UNDP and UNOPS, mainly supported the IHEC in key electoral activities of public awareness, dialogue sessions with political parties and other electoral stakeholders, dispute resolution processes, gender mainstreaming, election procedures and information and communication technology.

### **Programme achievements and results**

UNDP and UNOPS jointly supported the IHEC to conduct the Council of Representatives and the Kurdistan Regional Government Governorate Council elections on 30 April 2014. The UN support during the electoral process was in form of technical advice and capacity strengthening to the Commission.

During the reporting period, extensive time was spent supporting the IHEC in their preparation and conduct of the electoral process. Both elections were planned and implemented by the IHEC without external support. Significant support was provided in the IHEC Data Entry Centre (DEC) to build the department's technical capacity to manage and secure huge amount of data for the April 2014 Council of Representatives and Kurdistan Regional Government Governorate elections.

From January to April 2014, the Electoral Procurement Advisor provided guidance and technical advice to the IHEC Out of Country Voting (OCV) Committee on OCV strategy for the 2014 Council of Representative elections. With this support, the IHEC effectively opened 656 polling stations in 20 different countries on 28 and 29 April to allow Iraqis residing abroad to register and vote. Upon verification of the voter data, a total 157, 086 votes were declared valid by IHEC.

In the first quarter of the year, the Political Entities Advisor supported the IHEC Political Entities section in the registration and verification of political entities and candidates for the April 30 CoR election. The advisor worked with the section to develop data management and archiving template. At the end of the exercise IHEC certified the listing of 102 political entities and coalitions and registered 9,043 candidates for the Council of Representatives election.

Two female IHEC officials participated in a workshop on "Women's Participation in Elections" for countries holding elections in 2014 in the Middle East and North Africa region. As result, the IHEC was able to apply effective gender-mainstreaming interventions during Iraq's 2014 electoral processes.

In 2014, UNOPS Information and Communication Technology (ICT) team put in place a secure and resilient WiFi infrastructure and provided on-the-job training for IHEC Information Technology Staff on WiFi Security and Management. The ICT team completed the installation and configuration of the IT telephony and unified communication (instant messaging, video conferencing and scheduling). Video conferencing and Call Centre telephony were operational by mid-April 2014. In March and April 2014, the team assisted the Out of Country Voting (OCV) committee with the development of an application to securely collect and exchange voting information between the IHEC national office and various OCV offices around the world.

Voting was conducted smoothly across the country despite serious security incidents in some Governorates prior to the polling day. Both electoral processes were commended by domestic and international observers (EU domestic observer mission and Unrepresented Nations and Peoples Organization-UNPO and Assyria Council of Europe International Observer Mission) for being relatively fair and transparent, with a high level of candidate and voter participation. The results of both elections were certified by the Judiciary in June 2014. Despite a challenging security context the election recorded a 77 percent voter turnout and was largely considered to be free and fair. With support of the UN, IHEC has progressively developed its' institutional capacity to effectively manage electoral processes.

A concept note, which served as IHEC's strategy for future voter registration activities, had been developed in consultation with various stakeholders. The document presented various possible options for voter

registration in Iraq, along with their Strengths, Weaknesses, Opportunities and Threats (SWOT) and a project management approach based on Prince2 principles, which IHEC management has been trained on by UNOPS.

Another milestone for 2014 was the joint programming with the UNDP Regional Elections Project and all UNDP Country Offices election project in the Arab region which saw a number of initiatives being implemented.

## **5. Overall fund achievements and challenges**

### **5.1 Achievements**

Despite some delays in the progress due to unforeseen factors such as insecurity and change in GoI cabinet, significant achievements have been made in 2014, with positive feedback from the GoI. With the support of the UN the Government of Iraq was able to adopt a Public Administration Reform (PAR) roadmap intended to support Iraq's administrative structures and institutions by providing responsive, high-quality services, strengthening build institutional capacity to strengthen public and private partnerships to allow for sustainable development, and investment in human and material resources to improve the quality of the public institutions performance. The IPSM continued to bring together all national stakeholders concerned, and created a common platform for cooperation between and amongst participating UN Agencies and national counterparts. During 2014, the GoI adopted a National Health Policy, the first in over 30 years, and the Ministry of Health developed plans for adopting the program budget approach, linking budgets to plans and policies over a three year period. An action plan for decentralization process was developed. A National Network on Gender Responsive Budget (GRB) which comprises different line ministries and Gender Responsive Budget teams were created during the reporting period. The establishment of the first shelters for the survivors of GBV in both Baghdad and Basra governorates has been agreed on in 2014.

With the support of the UN, the Iraq High Electoral Commission (IHEC) has developed adequate institutional capacity to effectively manage electoral processes on its own: successful Council of Representatives (COR) and Kurdistan Regional Government (KRG) Governorate elections were held on 30 April 2014 despite serious security constraints in the run up to the election. The number of women candidates' increase to 47% compared to previous COR elections in 2010. IHEC resumed the biometric voter registration (BVR) process which now covers eleven out of nineteen governorate electoral offices. Reports indicate an increasing rate of voter participation, with a total of 188,228 voters registered as of 7 December 2014. Voting was conducted smoothly across the country despite an unstable security situation in several Governorates. Most of the activities related to the Independent High Commission for Human Rights (IHCHR) have been successfully carried out: strengthening the organizational structure of the Human Rights Commission, provision of training to the Commission core staff and enhancing their capacity on investigations; report writing and documentation of human rights violations.

The establishment of the first database for tracking cases of domestic and gender-based violence in Kurdistan region represents a milestone in Iraq's efforts to tackle violence against women and is pivotal to bringing changes at policy and community levels.

With the completion of DRM project in the first quarter of 2014, Iraq has become more responsive to its commitments to all international conventions pertaining to climate change, sustainable management and conservation of natural resources.

## 5.2 Challenges

The main challenge to the implementation of most projects in 2014 is represented by the deteriorated security situation across the country which has followed the advance of the Islamic State, and the consequent protracted humanitarian crisis which has increasingly diverted resources from development programmes towards a proper response to the Level 3 Emergency. The fluidity of security in Baghdad, and the relocation of most of UN international staff from the city in mid-June 2014, restricted the movement of international staff outside the Green Zone and hence limited the possibility of engagement with Government counterparts. Insecurity has also affected the procurement procedures for services and goods compromising the availability of resources locally. Also, in several cases, internationally recruited consultants had reservation and/or refused to accept new assignments or to continue ongoing assignments in Iraq. Additional challenges to projects implementation originated from the political instability and the delays in the formation of the new government, which has characterized the year 2014. Adding on to that the failure by the Parliament to approve the Budget Law in 2014, have also hindered the implementation of joint funding activities through the cost-sharing modality. The combination of these factors had tremendous consequences on the overall performance and made it extremely difficult for the Participating UN Organizations (PUNOs) to implement planned activities and delivered expected results during the reporting period.

In addition to the challenges imposed by the security situation, programmes addressing human rights and protection are encountering obstacles in the form of cultural barriers. The support to the development of the shelter policy targeting the victims of the domestic and gender-based violence continued to pose a major challenge, particularly during the first half of 2014. Due to cultural barriers, the progress of the GoI in this particular area of work was prolonged. During the 4<sup>th</sup> quarter of 2014, UNDPs efforts were successful and made significant progress in this regard through a Minister of Women Affairs (MOWA) agreement to establish the first shelters for the survivors of GBV in both Baghdad and Basra governorates. The signing of the MoU between UNDP and MOWA provides a framework for cooperation and identifies the required support from UNDP with respect to the shelter initiative.

The progressively deteriorating security situation in Iraq has resulted in severe challenges to the monitoring of the six grave violations against children mandated by SCR 1612. In some cases the monitors themselves have been affected directly as family members or indirectly as witnesses. In addition road blocks and tighter security procedures have limited and made it difficult for monitors to reach incident locations. Furthermore, when requesting additional information on incidents, monitors are increasingly viewed with suspicion, with possible connections to specific incidents that have taken place.

As for the IHEC programme, a fundamental challenge has been the lack of monetary resources to allow for implement of support activities to continue. The available funds in the quarter met the bare minimal needs with respect to personnel costs.

For the CSOs project, the delay of the Iraqi Parliament in identifying Chairpersons for the Parliament Committees remained a constant challenge for the project. In one instant leading to the absence of the Chairperson of the CSOs Committee for a period of 6 months.

With respect to the development of the Child Rights Law and Child Protection Policy, a notable challenge was identifying a qualified national policy advisor to support the process combined with the rapidly changing political and security situation in the country. The ACA project went through a critical period during the first and second quarters of the year attributed to change of management and restructuring within the CoI.

To cope these challenges and ensure smooth continuation of planned activities and expected results, requests for no-cost time extensions were put in for most projects in 2014 and early 2015, which have been approved.

## 6. Financial Performance

This chapter presents financial data and analysis of the Iraq UNDAF Trust Fund using the pass-through funding modality as of 31 December 2014. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/IRQ00>. Due to rounding totals may not add up.

### 6.1 Sources and uses of funds

As of 31 December 2014, 23 contributors have deposited US\$ 41,119,745 in contributions and US\$ 131,145 has been earned in interest, bringing the cumulative source of funds to US\$ 41,250,890 (see respectively, Tables 6-2 and 6-3).

Of this amount, US\$ 34,341,046 has been transferred to 11 Participating Organizations, of which US\$ 24,998,404 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 411,197. Table 6-1 provides an overview of the overall sources, uses, and balance of the Iraq UNDAF Trust Fund as of 31 December 2014.

**Table 6-1 Financial Overview, as of 31 December 2014 (in US Dollars)**

	Annual 2013	Annual 2014	Cumulative
<b>Sources of Funds</b>			
Gross Contributions	5,551,172	4,265,378	41,119,745
Fund Earned Interest and Investment Income	42,047	20,322	127,168
Interest Income received from Participating Organizations	603	3,374	3,977
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Revenues	-	-	-
<b>Total: Sources of Funds</b>	<b>5,593,822</b>	<b>4,289,074</b>	<b>41,250,890</b>
<b>Use of Funds</b>			
Transfers to Participating Organizations	6,420,371	8,272,150	34,341,046
Refunds received from Participating Organizations	-	-	-
<b>Net Funded Amount to Participating Organizations</b>	<b>6,420,371</b>	<b>8,272,150</b>	<b>34,341,046</b>
Administrative Agent Fees	55,512	42,654	411,197
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	421,993
Bank Charges	923	365	1,868
Other Expenditures	-	-	-
<b>Total: Uses of Funds</b>	<b>6,476,805</b>	<b>8,315,168</b>	<b>35,176,104</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>(882,983)</b>	<b>(4,026,094)</b>	<b>6,074,786</b>
Opening Fund balance (1 January)	10,983,863	10,100,880	-
<b>Closing Fund balance (31 December)</b>	<b>10,100,880</b>	<b>6,074,786</b>	<b>6,074,786</b>
Net Funded Amount to Participating Organizations	6,420,371	8,272,150	34,341,046
Participating Organizations' Expenditure	12,689,645	10,720,131	24,998,404

## 6.2 Partner contributions

Table 6-2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2014.

**Table 6-2 Contributors' Deposits, as of 31 December 2014 (in US Dollars)**

Contributors	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
AUSTRALIA, Government of	1,107,845	193,322	1,301,167
BELGIUM, Government of	46,217	8,065	54,282
CANADIAN INTERNATIONAL DEVELOPMENT AGENC	2,231,621	389,424	2,621,046
DENMARK, Government of	9,722,477	75,767	9,798,244
FINLAND, Government of	269,414	47,014	316,428
GREECE, Government of	126,995	22,161	149,156
ICELAND, Government of	17,493	3,053	20,546
INDIA, Government of	174,933	30,526	205,459
IRELAND, Government of	42,908	7,487	50,395
ITALY, Government of	1,372,588	239,520	1,612,108
JAPAN, Government of	12,628,428	2,203,697	14,832,125
KUWAIT, Government of	174,933	30,526	205,459
LUXEMBOURG, Government of	81,131	14,158	95,288
NETHERLANDS, Government of	234,305	40,887	275,192
NORWAY, Government of	245,231	42,794	288,025
NEW ZEALAND, Government of	117,725	20,543	138,268
QATAR, Government of	174,933	30,526	205,459
REPUBLIC of KOREA, Government of	734,718	128,210	862,929
The Scottish Government	484,731	-	484,731
SWEDISH INT'L DEVELOPMENT COOPERATION	3,116,116	83,377	3,199,493
SPAIN, Government of	3,259,813	568,847	3,828,660
TURKEY, Government of	314,879	54,947	369,827
USAID	174,933	30,526	205,459
<b>Grand Total</b>	<b>36,854,367</b>	<b>4,265,378</b>	<b>41,119,745</b>

## 6.3 Interest Earned

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest') where their Financial Regulations and Rules allow return of interest to the AA. As of 31 December 2014, Fund earned interest amounts to US\$ 127,168 and interest received from Participating Organizations amounts to US\$ 3,977, bringing the cumulative interest received to US\$ 131,145. Details are provided in the table below.



**Table 6-3. Sources of Interest and Investment Income, as of 31 December 2014 (in US Dollars)**

Interest Earned	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	106,846	20,322	127,168
<b>Total: Fund Earned Interest</b>	<b>106,846</b>	<b>20,322</b>	<b>127,168</b>
<b>Participating Organization</b>			
UNESCO	603	3,374	3,977
<b>Total: Agency earned interest</b>	<b>603</b>	<b>3,374</b>	<b>3,977</b>
<b>Grand Total</b>	<b>107,449</b>	<b>23,696</b>	<b>131,145</b>

#### 6.4 Transfer of Funds

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2014, the AA has transferred US\$ 34,341,046 to 11 Participating Organizations (see list below). Table 6-4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

**Table 6-4 Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2014 (in US Dollars)**

Participating Organization	Prior Years as of 31-Dec-2013			Current Year Jan-Dec-2014			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
ESCWA	677,608		677,608				677,608		677,608
FAO	140,000		140,000				140,000		140,000
UNDP	13,352,162		13,352,162	4,599,924		4,599,924	17,952,086		17,952,086
UNEP	140,000		140,000				140,000		140,000
UNESCO	1,763,010		1,763,010	1,029,219		1,029,219	2,792,229		2,792,229
UNFPA	1,204,598		1,204,598	846,496		846,496	2,051,094		2,051,094
UNHABITAT	2,078,947		2,078,947	185,000		185,000	2,263,947		2,263,947
UNICEF	2,846,746		2,846,746	245,000		245,000	3,091,746		3,091,746
UNOPS	1,038,592		1,038,592				1,038,592		1,038,592
UNWOMEN	1,081,932		1,081,932	60,000		60,000	1,141,932		1,141,932
WHO	1,745,301		1,745,301	1,306,511		1,306,511	3,051,812		3,051,812
<b>Grand Total</b>	<b>26,068,896</b>		<b>26,068,896</b>	<b>8,272,150</b>		<b>8,272,150</b>	<b>34,341,046</b>		<b>34,341,046</b>

## 6.5 Expenditure and financial delivery rates

All final expenditures reported for the year 2014 were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

### 6.5.1 Expenditure reported by participating organization

As shown in table below, the cumulative net funded amount is US\$ 34,341,046 and cumulative expenditures reported by the Participating Organizations amount to US\$ 24,998,404. This equates to an overall Fund expenditure delivery rate of 73 percent. The agencies with the three highest delivery rates are: UNOPS, 94.6 percent; FAO, 91.7 percent; and UNICEF, 84.7 percent.

**Table 6-5 Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2014 (in US Dollars)**

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Cumulative	
ESCWA	677,608	677,608	351,632	62,029	413,661	61.05
FAO	140,000	140,000	108,722	19,718	128,440	91.74
UNDP	17,952,086	17,952,086	7,880,568	5,702,724	13,583,292	75.66
UNEP	140,000	140,000	51,472		51,472	36.77
UNESCO	2,792,229	2,792,229	1,188,152	589,432	1,777,584	63.66
UNFPA	2,051,094	2,051,094	808,697	745,753	1,554,450	75.79
UNHABITAT	2,263,947	2,263,947	576,533	1,157,279	1,733,812	76.58
UNICEF	4,867,947	3,091,746	1,427,905	1,192,381	2,620,286	84.75
UNOPS	1,038,592	1,038,592	288,152	694,327	982,479	94.60
UNWOMEN	1,141,932	1,141,932	286,389	430,531	716,920	62.78
WHO	3,051,812	3,051,812	1,310,051	125,957	1,436,008	47.05
<b>Grand Total</b>	<b>36,117,247</b>	<b>34,341,046</b>	<b>14,278,273</b>	<b>10,720,131</b>	<b>24,998,404</b>	<b>72.79</b>

### 6.5.2 Expenditure by project

Table 6-6 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome.

**Table 6-6 Expenditure by Project within Sector, as of 31 December 2014 (in US Dollars)**

Sector / Project No. and Project Title		Participating Organization	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %
<b>Environment</b>						
00079817	P3-01 Env/Drought Risk Managem	FAO	140,000	140,000	128,440	91.74
00079817	P3-01 Env/Drought Risk Managem	UNDP	264,883	264,883	268,876	101.51
00079817	P3-01 Env/Drought Risk Managem	UNEP	140,000	140,000	51,472	36.77
00079817	P3-01 Env/Drought Risk Managem	UNESCO	215,001	215,001	208,854	97.14
<b>Environment: Total</b>			<b>759,884</b>	<b>759,884</b>	<b>657,642</b>	<b>86.55</b>

<b>Governance and Human Rights</b>						
00081967	P1-01 Gov/Empowering CSOs in Ir	UNDP	2,221,818	2,221,818	1,989,022	89.52
00081968	P1-02 Gov/Family Protection fo	UNDP	2,467,880	2,467,880	2,346,704	95.09
00081968	P1-02 Gov/Family Protection fo	UNICEF	1,500,000	703,772	549,783	78.12
00081969	P1-03 Gov/ID of Anti Corruptio	UNDP	2,727,273	2,727,273	1,278,280	46.87
00082895	P1-04 Gov/Transparent Particip	UNDP	3,091,526	3,091,526	2,280,613	73.77
00084209	P1-05 Gov/ I-PSM II	ESCWA	677,608	677,608	413,661	61.05
00084209	P1-05 Gov/ I-PSM II	UNDP	5,413,844	5,413,844	3,789,486	70.00
00084209	P1-05 Gov/ I-PSM II	UNESCO	2,577,228	2,577,228	1,568,730	60.87
00084209	P1-05 Gov/ I-PSM II	UNFPA	2,051,094	2,051,094	1,554,450	75.79
00084209	P1-05 Gov/ I-PSM II	UNHABITAT	2,263,947	2,263,947	1,733,812	76.58
00084209	P1-05 Gov/ I-PSM II	UNICEF	3,367,947	2,387,974	2,070,503	86.71
00084209	P1-05 Gov/ I-PSM II	UNWOMEN	1,141,932	1,141,932	716,920	62.78
00084209	P1-05 Gov/ I-PSM II	WHO	3,051,812	3,051,812	1,436,008	47.05
00087994	P1-06 Gov/Support to IHEC ph.2	UNDP	1,764,862	1,764,862	1,630,311	92.38
00087994	P1-06 Gov/Support to IHEC ph.2	UNOPS	1,038,592	1,038,592	982,479	94.60
<b>Governance and Human Rights: Total</b>			<b>35,357,363</b>	<b>33,581,162</b>	<b>24,340,762</b>	<b>72.48</b>

<b>Grand Total</b>			<b>36,117,247</b>	<b>34,341,046</b>	<b>24,998,404</b>	<b>72.79</b>
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### 6.5.3. Expenditure by category

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. The old and new categories are noted to the right.

Table 6-7 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

<b>2012 CEB Expense Categories</b>	<b>2006 UNDG Expense Categories</b>
1. Staff and personnel costs	1. Supplies, commodities, equipment & transport
2. Supplies, commodities and materials	2. Personnel
3. Equipment, vehicles, furniture and depreciation	3. Training counterparts
4. Contractual services	4. Contracts
5. Travel	5. Other direct costs
6. Transfers and grants	6. Indirect costs
7. General operating expenses	
8. Indirect costs	

**Table 6-7 Expenditure by UNDG Budget Category, as of 31 December 2014 (in US Dollars)**

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2013	Current Year Jan-Dec-2014	Total	
Supplies, Commodities, Equipment and Transport (Old)	-	-	-	
Personnel (Old)	5,599	-	5,599	0.02
Training of Counterparts (Old)	-	-	-	
Contracts (Old)	-	-	-	
Other direct costs (Old)	-	-	-	
Staff & Personnel Cost (New)	4,209,192	3,903,644	8,112,836	34.68
Suppl, Comm, Materials (New)	54,622	(788,637)	(734,014)	(3.14)
Equip, Veh, Furn, Depn (New)	33,062	107,342	140,404	0.60
Contractual Services (New)	4,240,943	3,917,138	8,158,080	34.87
Travel (New)	1,249,512	717,728	1,967,240	8.41
Transfers and Grants (New)	1,144,011	390,378	1,534,389	6.56
General Operating (New)	2,459,299	1,749,199	4,208,498	17.99
<b>Programme Costs Total</b>	<b>13,396,240</b>	<b>9,996,792</b>	<b>23,393,032</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	882,033	723,339	1,605,372	6.86
<b>Total</b>	<b>14,278,273</b>	<b>10,720,131</b>	<b>24,998,404</b>	