United Nations Development Programme

Iraq Public Sector Modernisation Programme

A Joint Programme of the United Nations System of Agencies

Phase I Evaluation Report

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Acronyms and Abbreviations

COMSEC	Council of Ministers Secretariat
COSIT	Central Organisation for Statistics and Information Technology
CSR	Civil service reform
DMS	Development Management System
ESCWA	The United Nations Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organisation of the United Nations
GoI	Government of Iraq
HCAR	Higher Committee for Administrative Reform
HRM	Human resource management
I-PSM	Iraq – Public Sector Modernisation Programme
ITF	The UNDAF Iraq Trust Fund
KRG	Kurdistan Regional Government
LADP	Local Area Development Programme
MAC	Ministerial Advisory Committee
NCCMD	National Centre for Consultancy and Management Development
PMAC	Prime Minister's Advisory Council
PRODOC	Programme document – founding document describing the I-PSM programme
PSR	Public Sector Reform
PSM	Public sector management
UNDP	United Nations Development Programme
UNESCO	United Nations Education Scientific and Cultural Organisation
UNFPA	United Nations Fund for Population Activities
UN-HABITAT	United Nations Programme on Human Settlements
UNICEF	United Nations International Children Emergency Fund
UNIFEM	One of four predecessors amalgamated into UNWOMEN
UN-WOMEN	United Nations Entity for Gender Equality and Empowerment of Women
Watsan	Water supply and sanitation
WHO	World Health Organisation

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United Nations Development Programme

Iraq Public Sector Modernisation Programme
A Joint Programme of the United Nations System of Agencies

Phase I Evaluation
Final: 11 December 2011

EXECUTIVE SUMMARY

The Iraq Public Sector Modernisation programme is a USD 55 million four-year programme funded by the European Union through the Iraq Trust Fund. Phase I of the programme was entrusted jointly to five United Nations agencies including (as the lead coordinator) UNDP, plus WHO, UNICEF, UNESCO and UN-HABITAT. Through an inter-agency agreement UNFPA, UN-ESCWA, and UN-WOMEN were also engaged.

The programme was launched 1 April 2010, with an expected duration of four years. Phase I was to be limited to 12 months, a period that was subsequently extended to 21 months, ending 31 December 2011. The present evaluation was foreseen as an opportunity to review stakeholder commitment (including specifically commitment by Government) and steer any new course as may be necessary.

Table: Allocation of Funds Under the I-PSM Phase I

Agency	Amount USD
UNDP (lead agency) of which the below amounts were passed to	5,000,000
UNFPA	883,575
UN-ESCWA	1,385,663
UNIFEM /UN-WOMEN	757,560
WHO	2,000,000
UNICEF	2,600,000
UN-HABITAT	2,000,000
UNESCO	2,000,000
Total Planned Budget – Phase I	**13,600,000**

As is common to development aid programmes worldwide, the I-PSM programme has suffered its share of teething problems; one may opine that it has suffered more than its fair share. Of the difficulties encountered the reasons are well understood. UNDP and its sister UN agencies have learned important lessons from the experience to date. The concerned parties are now committed to an approach that builds on the original programme document but that is less ambitious, more focussed, and better attuned to the political and operational realities with which the Government of Iraq and United Nations officials have to contend.

At the outset the Iraq Public Sector Modernisation programme adopted an all-of-government perspective on public sector reform. This included seeking to bring about changes in the way Government operates at both national and sub-national levels. Pilots were undertaken in those government ministries dealing with education, health, water supply and sanitation. The associated field study and analytical work has sought to address a wide range of issues. Broadly, these have turned on problems associated with the legal framework; human resources; managerial capacity; administrative structures; sector management; and service delivery.

At the end of its first 20 months the programme has logged a number of potentially valuable results. Extensive investigation work has been undertaken at sectoral level; the awareness of government officials has been raised concerning not only their problems but also how one might set about addressing them; and a library of baseline documents has been produced. Other UN implemented programmes and projects have benefited from the work on I-PSM, and vice versa. A certain amount of institution building has been cemented. Capacity building has been enhanced. Relationships between the UN agencies and with other international partners has been improved. The merits of working through consulting companies has also been recognised.

During its first year the programme encountered a significant number of difficulties. Key among the problems confronted was that, following the elections of March 2010 it took nine months until December of that year before a Government was formed. During this period and for many weeks thereafter there was little opportunity for UN agencies to dialogue with key officials. The second major obstacle was the decision by USAID to support civil service reform. As this had been part of the I-PSM programme design, re-negotiating arrangements took a considerable amount of time.

A second serious difficulty has been that, in spite of signals to the contrary before the programme launch, at the most senior levels in Government the commitment to public sector reform has not been much in evidence. This may in part be a communications problem, but the lack of visible political support for PSM will inevitably impede progress below. In contrast, at senior levels in some of the pilot ministries with which the programme has been working there is considerable enthusiasm for reform.

Internal management problems have had a significant impact on the quality and timelines of outputs. Although a global amount was budgeted against each of the programme's outputs, the amounts awarded to each agency were not tied to their delivery. For most of its life to date, monitoring of the programme has not been in evidence.

Management of the programme suffered greatly as a result of the difficulties encountered in recruiting a Programme Coordinator. It took14 months to get a Programme Coordinator on board and within six months of his appointment the staffer had quit. Numerous difficulties arose from the classification of the Coordinator's post as a regular staff position rather than as a contractor, and from the procedurally determined way in which regular positions in the United Nations system are filled. The body of the report (section 2.2 Staffing ...) explains why the recruitment and selection procedures for such posts are inappropriate to theatres such as Iraq, where operational conditions are particularly challenging.

The approach to the I-PSM programme advanced in the project document can be characterised as visionary if not also courageous. Yet the programme can also be considered as much too ambitious. The programme design was fuzzy in conception and in presentation. The intended outputs were poorly formulated, with the results framework providing few objectively verifiable indicators of achievement. The programme document gave little indication of how actual work was to proceed, while no inception report or overall programme work plan was produced.

Consequent on the absence of a usable implementation plan, combined with UNDP's staffing problems, little guidance was available to the four UN agencies that had taken on the work at sectoral level. In the early months considerable discussion took place on how best to proceed but in the end there was no consensus of opinion, let alone agreement on how the required outputs were to be produced.

The idea that a variety of specialised UN agencies should be called upon to undertake public sector reform, as part of an all-of-government approach, was misplaced. Even UNDP, the only UN agency to include this specialisation in its portfolio, was - and is once more - seriously deficient in competent specialists. In the event, heavy reliance was placed by most of the agencies on the procurement of commercial consulting services, services that could equally well have been contracted centrally by UNDP. The result has been a plethora of reports produced in different ways to vastly different standards.

During most of the programme's first year little attention has been given to gender issues. Difficulties arose as a result of management problems in UNDP Headquarters, in UNIFEM and its successor organisation, UN-WOMEN. The individual UN agencies were poorly equipped to mainstream gender into the sectoral work, while UN-WOMEN's role was limited to providing a consultant on gender responsive budgeting. This work did not begin until October 2011. Allocation of responsibilities between UN agencies for action on gender mainstreaming – and acceptance of that responsibility - deserves attention.

Iraq has been and continues to be an insecure environment. Millions of Iraqis live every day with the dangers and privations that this brings. To cope with the challenges the United Nations system has adopted several strategies, most of which are extremely expensive to operate. The security regime to which international UN personnel are subject makes it difficult for them to meet their Iraqi counterparts. In any environment, advocating change is a difficult task, one that depends most usually on the quality of relationships that it is possible to cultivate: trying to do so at a distance or by remote control is difficult if not impossible. For commercial contractors and NGOs the situation is less defensive and easier to operate.

As designed, the I-PSM programme placed UNDP in the position of coordinator of the work of the other involved UN agencies. But UNDP possessed no lever by which it could orchestrate the work, let alone require other UN agencies to cooperate in the delivery of outputs, or report on them. The condition of responsibility without authority in which UNDP was placed is common to many if not all UN joint programmes, and is therefore a matter that merits attention from the United Nations Secretariat. This, along with many other problems from which agencies suffer in the field, are a result of policies or procedures imposed by their headquarters. In most cases such problems are not amenable to being resolved at country programme level.

The proposal that the I-PSM programme be divided into a Phase I of only 12 months duration, followed by an implementation phase of a further 36 months, was based on the idea that it was necessary to test Government's commitment to an all-of-government approach. Yet notwithstanding that the Phase I has failed to provide encouragement in this regard, there remain a good number of reasons why the programme should continue.

- *Useful actions are still possible at the sectoral level*

  A great deal of good work has already been done at sectoral level. Going forward and drawing on the completed sectoral road maps, the first task must be for the relevant ministries to decide what activities they are able and willing to embark upon in the absence of a national strategy for public sector modernisation. Concerned UN agencies will then need to tailor their assistance to support the Government's initiatives.

- *Programme engagement at the political level is in process*

  Time will be needed for the United Nations Mission in Iraq to facilitate contact for the I-PSM programme at the Prime Ministerial and Deputy Prime Ministerial levels. The course of Iraqi politics is unpredictable and it is possible that, within a reasonable period, circumstances will become more conducive to the pursuit of an all-of-government

approach. Meanwhile, continuing work in support of the Higher Council for Administrative Reform appears useful.

- *Work at sub-national level is desirable and possible*

  Iraq is a hierarchically organised society with strongly enforced traditions of obedience to the powers that be. Yet there is recent evidence that at governorate level Iraqis have been able to negotiate modernisation of their governance arrangements, including with support from their national level counterparts. Most of the available evidence comes from the UNDP implemented Local Area Development Programme, running since July 2007. This suggests that modernisation initiatives may be possible at the sub-national level even where the centre is dragging its feet. There is no reason why the I-PSM should not build on such initiatives and support work from the bottom up.

- *The public sector is not a unitary concept*

  A number of relatively independent streams of activity can be envisaged that have the potential for contributing to better governance. An all-of-government approach is desirable, but in the absence of this there is no reason why one may not pursue the opportunities that arise. Of these there are many: some from the work that has already been carried out at sectoral level, some from the original project document, and some from an appreciation of the evolving regional and political environment. The latter category of options includes programme components that would address the need for informed national dialogue on centre-periphery relations; the capacity development needs of young community leaders; and the needs of public sector officials in understanding the range of governance options available.

- *Stellar performers merit support*

  Several aspects of the work undertaken under the Phase I programme, or conceptually related to it, require support if they are to continue to deliver good work. These include the work on e-Governance, the related Iraq Development Management System and its regional affiliate, the Kurdistan Development Management System. Work in the development of national statistics systems should also be supported in a Phase II.

- *The experience gained must be seen in the round and over the longer term*

  One should not be too quick to judge the performance a programme on the basis of its first phase alone. Outcomes of any significance will take time to appear. There are signs that in recent months managerial arrangements have improved and there is hope that the trend may continue.

- *Synergy operates beyond individual projects and programmes*

  The I-PSM programme is only one of many contributions that the UN system and the international donor community has made and continues to make to Iraq. Rarely is it possible to separate out the contribution that is made to progress by a single project or programme. The I-PSM programme may not yet be a brilliant success but it is already contributing to experience that will manifest in other projects or programmes, in the same way that it has benefited from the earlier experiences of government officials and advisors.

- *Personalities and relationships matter*

  Success on development aid programmes is heavily influenced by the quality of personal and professional relationships that it is possible to establish between key stakeholders. In this, two factors are central: the degree of commitment of the national counterpart to the tasks at hand and the quality of technical assistance that is available. On both sides, personality is as important as technical knowledge. In the I-PSM programme, in many cases the necessary conditions are in place. It would be unfortunate if such opportunities were lost.

- *Going forward is less dangerous than going backwards*

  If the work in the Phase I were to be abandoned or put on hold pending further leadership from the GoI, the negative consequences for all stakeholders - in terms of loss of trust and confidence in future initiatives – could be severe.

Notwithstanding the large number of options that are available for further useful work, there remains the thorny issue of whether a joint programme of the United Nations system of agencies can be made to work more effectively than has been possible in the Phase I. As of November 2011 the consensus among the concerned UN agencies is that a Programme Manager is required rather than a Programme Coordinator. However, unless programme management is backed by authority in both its hard and soft forms, a change of name for the position will be of little consequence. The following arrangements are recommended.

A new programme document be formulated for Phase II, drawing inspiration from the existing PRODOC, from an analysis of the strengths and limitations of the work undertaken in the Phase I, and from the Programme Retreat, 9-10 November 2011.

A Programme Manger be appointed who should report to the UN's Resident Coordinator for Iraq. The role of the Manger would be to ensure delivery of the outputs and outcomes of the revised programme. The role should include overseeing the establishment and enforced operation of simple arrangements for programme monitoring. Financing for the position should be made available to the RC's Office from the Phase II budget.

The Programme Manger to be supported by PSR advisors located in the relevant government ministries. The cost of the posts is to be borne by the involved UN agencies.

The nature and cost of the work to be undertaken in the Phase II to be determined by negotiation between a representative of the UN Resident Coordinator's Office and representatives of potential contracting partners. The negotiations are to be based on detailed written proposals submitted in response to the PRODOC for Phase II. The potential contracting partners may include any UN agency able and willing to respond to the call for proposals, acting either alone or in consortium with any other UN agency, one or more consulting company and /or registered NGO. In the case of a consortium, for the purpose of submitting a proposal and managing the work any of the partners may take the lead.

Based on an analysis and evaluation of the proposals submitted, a Selection Committee to award contract offers taking into account (i) the relevance of the work proposed to the revised PRODOC, (ii) the proposer's previous experience in dealing with the nominated counterpart(s); (iii) the quality of outputs produced in the I-PSM Phase I, or in similar undertakings elsewhere; (iv) the excellence of the proposals for work in Phase II – assessed against PSM criteria; and (v) the relevance and expertise of the individuals nominated to perform the services proposed. Those proposers in receipt of contract offers to be called upon to negotiate awards for costs and overheads based on evidence supported estimates.

Introduction

The Iraq Public Sector Modernisation programme is a USD 55 million four-year programme funded by the European Union through the Iraq Trust Fund. The programme adopts an all-of-government approach to public sector reform, thereby seeking to bring about changes in the way Government operates at both national and sub-national levels, including within sectors - most immediately in the areas of education, health, water supply and sanitation.

After a gestation period of more than two years the I-PSM programme was launched 1 April 2010, with an expected duration of four years to end March 2014. Phase I of the programme was to be limited to a period of 12 months, towards the end of which an external evaluation was to be carried out. Such a review was to influence the shape of the programme in its Phase II and the execution modalities adopted. As a result delays arising, the Phase I was granted a no-cost extension to 31 December 2011.

The evaluation began 1 October 2011 with the draft report issued end November. The work has been executed by a single consultant drawing on the experience of many of the actors who have been involved in implementing the Phase I. The consultant – the author of this report - spent time at the offices of UNDP in Baghdad and in Amman. Interviews were carried out with a wide range of personnel in several UN agencies, with representatives of the international donor community, and with a selection of Iraqi government officials. The evaluation has been limited by the difficulty of accessing the range of Iraqi opinion that might normally be expected in a programme evaluation. Nevertheless, for the purposes in view the results may be considered adequate.

As is common to development aid programmes, the I-PSM programme has suffered its fair share of teething problems; indeed, one may say that it has suffered more than its fair share. The reasons are well understood and summarised in Section 2.2 of the report. UNDP and its sister UN agencies have learned important lessons from the experience to date.

The concerned parties are now committed to an approach that builds on the original programme document but one that is less ambitious, more focussed, and better attuned to the political and operational realities with which Iraqi Government and UN officials have to contend. By general agreement, the UN family of agencies is committed to an implementation modality that better fits the needs of a joint programme. In particular, for Phase II, mechanisms are to be adopted that will ensure good quality and the timely delivery of outputs. At the same time, the opportunity is being taken to renew the project design so as to take advantage of the experience gained.

Part 1 of the report describes the programme as designed. Part 2 describes the programme as it has been implemented to date, focussing firstly on its achievements and then on its problems and limitations. Part 3 of the report illuminates a range of opportunities and challenges confronted by the programme at the end of its first phase. This part of the report concludes with a check list of recommendations.

The report aims to be constructive, illuminating a wide range of issues that are pertinent to programme design and management. What is written cannot possibly take account of all historical detail and of all perspectives. For this, indulgence is requested. An evaluation is only useful to the extent that it results in action. In fashioning new directions most of the readers will have a role to play, so the emphasis here onwards should be on what to do next, without entering into acrimonious debate about what was done or not done heretofore. Moving on from where we are now will require courage and a readiness to change somewhat greater than that which one has expected of Iraqi counterparts. If we cannot change ourselves we should not be in the business of recommending that others do.

Part I
THE I-PSM PROGRAMME AS DESIGNED

The Problems Addressed

Prior to the 1991 war Iraq was highly regarded in the region for its superior public sector capabilities, its highly competent and well-trained cadre of civil service expertise and strong economic policy and social welfare programmes. While substantial institutional capabilities still exist in many areas, the impact of years of war, international isolation and civil strife has led to under-investment in core functions. This has resulted in an erosion of civil service management capabilities, the continuation of obsolete and overlapping functions, little automation, a slide to lower fiduciary standards, and increased corruption. A very large increase in the number of people drawing salaries from the public sector between 2005 and 2010 has contributed to a 48 percent increase in the cost of civil service salaries,[2] which in turn means that in 2011 78-80 per cent of the Government's operating budget goes on salaries.[3,4] All this constitutes serious constraints on the delivery of essential services. In brief, public services in Iraq are in a state of serious disrepair.

Against this situation the Iraq Public Sector Modernisation Programme has sought to address a wide range of issues. Broadly, these have turned on problems associated with the legal framework; human resources; managerial capacity; administrative structures and functionality; and sector management and service delivery. Among the many problems in view, the programme's founding document mentioned those shown in Box 1 above.

Purposes

Wisely, the programme document[5] observed that public sector modernisation may take up to ten years complete, and that the I-PSM programme must therefore be regarded as merely an initiation of the process. Nevertheless, the document outlines a programme that seeks to address existing public sector 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 though a service delivery lens on a sector by sector basis;

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[2] World Bank *Iraq Public Expenditure and Institutional Assessment, Vol.1: Public Financial Management in a Conflict Affected Environment,* June 2008, Table 16, page 124.
[3] Address by Mr Thamir Alghadban, UNDP convened I-PSM Programme Retreat, 10 November 2010.
[4] In 2009 estimates for total public sector staffing were 2,800,000, with 262,922 in the armed forces, 622,767 teachers, and not less than 500,000 in state owned enterprises. Geopolicy Inc. *Issues and Options for Public Sector Modernisation in Iraq, Economic Intelligence* November 2009, p5.
[5] United Nations Development Group – Iraq Trust Fund - Iraq Public Sector Modernisation (I-PSM) Programme –revised version 5 April 2010. Henceforth referred to as the "PRODOC".

(vi) increases the devolution of service delivery to local government to secure effectiveness, efficiency, transparency and sustainability, with enhanced participation; and

(vii) improves the capacity of local government institutions for decentralised service delivery.

Box 1

PSM Problems Addressed by the Founding Programme Document

Human Resources and Legal Framework

- Outdated civil service law and a new law not enacted
- No civil service council
- No national civil service compliance framework
- No merit based recruitment guidelines
- No performance evaluation guidelines
- Terms of service and codes of conduct missing
- No link to administrative reforms
- Secondary legislation needed

Public Administration Management Capacity

- Limited executive cadre
- Overstaffing – Incomplete civil service census
- Absent merit based procedures
- Weak performance and evaluation management
- Pay and grading structure over compressed
- Training and capacity limited
- Incomplete standard operating procedures
- Weak systems of accountability
- Low e-governance capacity

Administrative Structure and Functionality

- No reform and restructuring programme
- Overly centralised functions
- No road map for decentralisation
- Overlapping, duplicate and obsolete Ministry and departmental functions
- Unclear fiscal and administrative roles and responsibilities
- Outdated policy, planning and budgeting processes
- No functional reviews or institutional audits
- No incentive framework

Sector Management and Service Delivery

- Absent policy frameworks in health, education and water service delivery
- No sector strategy
- Absent costed pro-poor service delivery models
- Governorate, community and private sector roles unclear
- Weak co-governance
- Horizontal and vertical imbalances
- No decentralisation
- Centralized procurement

The expected programme outcome is defined as being to

> *Strengthen the regulatory and institutional framework and process of national and local governance to enhance service delivery*

Under this heading, five intended outputs are specified:

(i) *The Government of Iraq (GoI) is better able to undertaken public sector modernisation at national, regional and governorate levels;*

(ii) *Civil service capacities are strengthened for reform and modernisation;*

(iii) *The GoI has capacities for improved public administration systems;*

(iv) *The GoI has reform and modernisation plans in place for targeted sectors; and*

(v) *Decentralized service delivery is improved in target sectors with local governance and participation enhanced.*

Of the five outputs, three - (ii), (iii) and (iv) - concern capacity development, while one (v) relates to systems development. Output (i) can be considered to be an amalgam of these or as an aspect of the outcome.

Work in pursuit of the five outputs was expected to follow independent tracks, none being required to lead. There was no linear logic by which one output was expected to follow the next. It was assumed that reform at sectoral and sub-sectoral levels could proceed independently of reform at the strategic level, and vice versa.

With encouragement from the international donor community and by agreement with USAID, in March 2011 output (ii) was removed from the list, with responsibility for work on civil service reform being left with the US Government-supported Tarabot program.

Subject to decisions by the proposed Government Task Force for PSM, core principles for the programme were proposed. These included

(i) national ownership and government leadership;

(ii) a coordinated and centralised approach to the progressive devolution of services;

(iii) a focus on basic reforms alongside strategic reform and restructuring;

(iv) adoption of international civil service and public administration practices;

(v) an integrated and holistic approach to policy, planning and budgeting;

(vi) targeted to high priority sectors, supported by lead UN agencies;

(vii) risk minimisation and an exit strategy by design;

(viii) clear roles and responsibilities;

(ix) a focus on quick gains with long term consolidation; and

(x) flexibility, cost effectiveness, sequencing and prioritisation.

In support of the work on civil service reform the PRODOC made provision for work to be undertaken in setting up a Senior Executive Service.

Within its portfolio of activities, the programme was supposed to integrate a treatment of cross-cutting issues: gender, poverty, social exclusion, environment, corruption, and public participation issues.

A number of risks were identified. These included (i) an uncertain level of security; (ii) lack of consensus on how to tackle such a large reform agenda; (iii) poor data and information regarding ministry structures and staffing; (iv) confusion over central and sub-national service delivery roles and responsibilities; (v) weak donor coordination, (vi) the lengthy pay-back period associated with public administrative reform; and (vii) the difficulty of securing high-quality long-term advisory support to work with and be co-located with government.

Implementation Arrangements

The programme was and is to be implemented in accordance with a Memorandum of Understanding between the Government of Iraq and the United Nations. The document detailed strategy, implementation, coordination and monitoring arrangements and the commitments of each party. From the outset it was expected that an enabling environment would be created that would secure national ownership and leadership. This included the establishment of a Public Service Council; an I-PSM Task Force; and the setting up of Ministerial Advisory Committees at sectoral level. A Parliamentary Committee on PSM was proposed, together with participatory processes with civil society and sub-national governance structures. For selected provinces Governorate level task forces were foreseen.

The culmination of Phase I was to be the formation of the above mentioned bodies and, under their guidance and with “full consultation both inside and outside the Government” the formulation of a Public Sector Modernisation Strategy. The strategy was to be prepared by technical teams from government with national and international experts, and presented to the Council of Ministers for adoption, November 2010. It was nevertheless recognised that Government’s capacity to lead this effort required further development. This was to be provided through the co-location of long-term advisors with the Secretariat to the Council of Ministers, the Prime Minister’s Advisory Council and the (yet to be formed) Public Service Council.

To have a complete set of information on the basis of which the PSM Strategy could be formulated, Phase I of the programme was expected to produce a description, analysis and recommendations in response to a wide range of issues. Leaving aside the specific needs of individual sectors, nearly 200 individual questions were posited relating to public sector issues more generally.[6] This noted, work was to be carried out initially in three key sectors, those that impact most significantly on the Millennium Development Goals, viz. health, education, and domestic water supply and sanitation. It was intended that by focussing on social service delivery the Government would be able to show that reform was bringing tangible benefits for the population at large.

[6] A complete description of the issues that the Phase I was supposed to address can be seen in the PRODOC pages 28-30 and Box 6 on page 30. These issues and subsidiary questions form the basis of the table appearing Annex 1 to the present report.

In summary, it was proposed that the Phase I output include a description and analysis of:

- Civil service systems and management arrangements, including the existing legal and policy framework; the sector strategies (and /or proposals for such strategies); the arrangements for budget formulation and execution; the organisational structures at central, regional, governorate and district levels; and mandates and staffing levels, with an assessment of competencies, constraints and limitations. Under the same heading an assessment was required of the functions that could be unified, which ones may be obsolete, and how one could improve coordination within and across ministries.

- Public expenditure management, including capital, wage and non-wage recurrent spending, with disaggregation of expenditure between central government and the governorates. Also required was an assessment of horizontal and vertical imbalances, linkages to policy making, planning and budgeting, and compliance with fiscal sustainability and allocative efficiency.

The current approach to service delivery, including outlining who delivered what, where, when and at what cost. A stakeholder analysis was to document service delivery at central and sub-national levels, including the role of state owned enterprises and public participation in the sector. Observations were solicited on issues of effectiveness, efficiency, transparency, accountability and costs per head. In relation to these issues at sub-national level information was requested on the Governorate elected councils, Governors and Deputy Governors, and the Governorate-appointed professional and administrative personnel.

In addition to the above, work on the development of public administration was to include the development of information systems and the collection of data that would support planning, budgeting and policy making; a review of the national e-Governance Strategy; and the identification of sectoral reform opportunities with plans for sector expenditure. All components of the study were to address strategic gender issues as well as socio-cultural constraints.

As a joint UN agency programme, the I-PSM was framed within the needs that had been jointly identified with Government and representatives of civil society in preparation of the United Nations Common Country Assessment. That exercise underpinned a four-year Government /UN agreement, 2011-2014.[7]

To address all of the forgoing objectives it was expected that the UN would bring to bear its global network of technical capacities to ensure that the latest methodologies and technology were made available to Iraq in support of reform and modernisation. Phase I the programme was to be led by UNDP with sectoral leads from WHO, UNICEF, UNESCO and UN-HABITAT. UNFPA, UN-ESCWA, and UNIFEM were to be involved under inter-agency agreements with UNDP. The allocation of responsibilities was as follows

WHO	Health Sector
UNICEF	Basic education; Water supply and sanitation
UN-HABITAT	Water supply and sanitation
UNESCO	Education, including vocational education
UNFPA	National statistics
UN-ESCWA	Organising social surveys and study tours
UNIFEM /UN-WOMEN	Gender responsive budgeting

[7] The United Nations Development Assistance Framework Outcomes, 2011-2014; and the UNDP Country Programme and CP Action Plan Outcomes, 2011-2014.

Responsibility for Phase II of the programme was to be determined in light of the evaluation carried out towards the end of Phase I.[8]

E-Governance activities had been underway since end 2009 supported by a pre-existing UNDP programme entitled *Decentralisation and Local Governance for Social Service Delivery*. Notwithstanding some early resistance to having the activity included with PSM, at the time of no-cost extension, June 2011, this component was wrapped up with the I-PSM programme and supported financially from the budgetary allocation to UNDP.[9]

[8] Mentioned in the PRODOC page 5 para 4.
[9] The amount to be allocated has not yet been agreed.

Part 2
THE I-PSM PROGRAMME AS IMPLEMENTED

2.1 SUCCESSES

At the end of its first 21 months the I-PSM programme has logged a number of worthwhile results. At least eight success areas can be identified.

Awareness-raising for Government Officials

First and foremost, there has been a great deal of interaction between the stakeholders engaged in the three sectors that have so far been treated: education, health, water supply and sanitation. In each of the relevant ministries a Ministerial Advisory Committee (MAC) or something similar has been formed, chaired officially by the Minster but in practice most usually by the Director General. Numerous meetings and workshops have been held in which a total of a few hundred government officials and others have been drawn along a path from awareness of the existence of problems to conceptualising possible solutions.

In some cases the procedures adopted by the MACs have been as important as the technical content. Logical systematic procedures have been adopted in discussion and decisions minuted. Draft reports have been prepared in both English and Arabic languages. Government personnel have played an active role in contributing to and vetting the outputs. Under some of the MACs Technical Working Groups have been formed dealing for example with policy and legislation, service delivery, and financial issues. The process has generated considerable “buy-in” to the process and a commitment to the idea of working for change in the way government business organised and done.

Usable Analytical Studies and Reports Produced

From each of the three sectors there has emerged a set of reports that address aspects of the PSM agenda, together with a great deal of material of purely sectoral interest. The reports are organised under four heading

A Functional Review	-	Prescriptive
A Sector Delivery Model	-	Descriptive
A Cost Analysis	-	Forward looking
A Road Map	-	A Plan of action

The work done on national statistics – under the leadership of UNFPA - followed a similar structure, except that there was no need of a current service delivery model. The work facilitated by UN-ESCWA – on public perceptions of local government, and on public private partnerships, has resulted in two study reports. As the work undertaken by UN-WOMEN did not begin until October 2011, a report is not expected until early 2011.

Table 1 shows the role of each UN agency that was involved, the Government of Iraq counterparts, and in summary the methodologies that were used. Column 5 identifies the reports that were produced. Although not all of the sectoral teams managed to produce usable material, much of the work is of very high quality. For the most part what has been delivered provides a useful spring board for further work in Phase II. Indeed, given the

degree of enthusiasm and commitment to the task that has been generated it would be a pity not to follow through.

Assessment against Outputs Expected

Reference is made to the programme's five output goals that appear in the PRODOC.

Output (i) *GoI is better able to undertake Public Sector Modernisation at national, regional and governorate levels*

> In respect of Output (i) it is clear that serious difficulties have been encountered. There is yet no national strategy for public sector modernisation and, although a Higher Committee for Administrative Reform has been established, its powers are less than impressive. Although UNDP's interlocutors at senior levels in government are clearly eminent persons strongly committed to the idea of public sector reform, it seems doubtful that UNDP is engaging at the right level. To obtain better traction for the I-PSM the assistance of the Special Representative of the Secretary General and UNAMI may be required.

Output (ii) *Civil service capacities strengthened for reform and modernisation*

> Output (ii) was removed from the programme. By agreement March – April 2011, USAID took responsibility for this work under its Tarabot programme.

Output (iii) *GoI has capacities for improved public administration systems*

> Substantial progress has been made already through the work on e-Governance, arranged in cooperation with a large number of government ministries under the leadership of the Ministry of Science and Technology. In other areas the limited progress that has been possible has been achieved by virtue of the planning and discussions that have taken place in the preparation of the sectoral road maps.

Output (iv) *GoI has reform and modernisation plans in place for targeted sectors*

> Progress during the Phase I has been relatively good. As of end November 2011 the plans for each sector have been produced as described in Table 1 column 5. Most of the UN agencies involved have furnished the number of reports agreed. Points to note are
>
> - With the assistance of UNICEF a Road Map has been produced for the Ministry of Education. A Road Map covering the whole of the education sector – including those sub-sectors advised by UNESCO - was expected. However, it is presently uncertain whether such a joint document will be possible.
>
> - The work undertaken by WHO in support of the Ministry of Health focussed on health system performance rather than on public sector modernisation *per se*.
>
> - Work on gender assessment reports in three sectors, undertaken by UN-WOMEN, began November 2011. The reports are not expected until early 2012.

Table 1: Role of UN Agencies, Government of Iraq Counterparts and Methodologies Used

UN Agency	Government of Iraq Counterpart	Activity	Methodology	Sector Diagnostic Reports
UNDP	• Higher Committee on Administrative Reform • Prime Ministerial Advisory Committee (PMAC)	• Overall I-PSM I Program Coordination	• Linkage with the Higher Committee on Administrative Reform and Prime Ministerial Advisory Council. • Program coordination among UN sister agencies. • Development and approval of a Donor Coordination Framework	• Synthesis Report of Education, Health, Water and Sanitation Sectors, I-PSM I • Donor Coordination Framework
UNICEF	• Ministry of Education (MoE) • Kurdistan MoE	• Diagnostic Assessment of Basic, Primary and Secondary Education	• Contracted diagnostic assessment to a consulting firm specialized in Public Sector Reform. • Ministerial Advisory Council (MAC) meetings. • Embedded in the MoE for 8 months, normative functional review, service delivery model and costing. • Sector diagnostic analysis conducted using new public sector methodology as set out in the Program Document; and as applied to transitional economies. • Consultations in three governorates, the central MoE and the KMoE.	• MoE Inception Report • MoE Service Delivery Assessment • MoE Sector Costing • MoE Functional Review • MoE Road Map
UNESCO	• Ministry of Higher Education and Scientific Research (MoHESR) • Kurdistan Ministry of Higher Education (KMoHE)	• Diagnostic Assessment of Moe and MoHESR/KMoE and KMoHE	• The sector diagnostic assessment conducted by a combination of national consultants provided by the MoE, MoHESR and KMoE and KMoHE, supported by a smaller team of international experts. • Education Sector Follow-up Committee meetings	• Education sector: Inception Report • Education sector: • Summary on Data Collection and Survey Process • Education sector: Service Delivery Assessment – Data Collection and Survey Report • Education Sector: Educational Services Delivery • Education sector: Sector Costing • Education sector: Functional Review • Education sector: Road Map – For Discussion

UNICEF and UN-HABITAT	• Ministry of Municipalities and Public Works • Mayoralty of Baghdad (MoB) • KRG-MMT	• Diagnostic Assessment of Water and Sanitation • Scoping Study of Solid Waste Management	• Functional Review of Government entities in WATSAN • Analysis of Legal, Financial, Administrative and Technical aspects of WATSAN through three government led working groups • Service Delivery Model based on three in-depth case studies in different parts of the country • Financial model built on the World Bank's Medium Term Expenditure Framework (MTEF)	• WATSAN Inception Report • WATSAN Service Delivery Report • WATSAN Functional Review Report including Sector Costing • Road Map for the WATSAN Sector endorsed by MAC October 2011
WHO	• Ministry of Health (MoH) • Kurdistan Ministry of Health	• Health Systems Performance Assessment at the center and in the Kurdistan Region of Iraq.	• Assessment conducted in the Mayoralty of Baghdad, Dhi-qar, Basrah, Jajaf, Erbil and other governorates. • Hired a consulting firm to advise on public administration issues at the end of Phase I. • Focused on Health Systems Performance Assessment, rather than Functional Review.	• Assessment and Functional Review Report (including service delivery and sector costing) • Road Map for the Health Sector
CROSS-SECTORAL ISSUES				
UNDP	• Ministry of Industry Science and Technology	• E-governance assessment and technical support	• Design E-governance Readiness Assessment. • E-governance Action Plan and technical support for implementation. Includes: awareness raising, human capacity and resources, government inter-operability standards, organizational and cultural change, regulatory framework, assessment of telecommunications infrastructure, financial resources management, monitoring and evaluation, connecting services and citizens. • E-governance Road Maps for MoE, MoH and MoMPW. • Capacity Building: Training of Trainers, and training sessions. • Study tour to India. • E-Government Interoperability Framework (e-GIF) completed by end 2011.	• e-Governance Action Plan (2010 – 2011 • e-Governance Road Map • e-Education Road Map • e-Health Road Map • e-Municipalities Road Map • e-Civil Registration Road Map • Finalizing Government-Inter-operability Framework
UNFPA	• Central Statistics Office (CSO) • Kurdistan Regional Statistics Office (KRSO)	• Statistics and Civil Registration	• Functional review of the statistical system in Iraq including legal framework, IT infrastructure, competency and division of labor, dissemination and access to information. • Assessment of the Civil Registration system in Iraq. • Assessment of Coding and Classification. • Assessment of Gender Indicators and Gender Disaggregated Data.	• Functional Review Report on the Iraqi National Statistical System • Functional Review Iraq Civil Registration and Vital Statistics • Draft Policy on Dissemination of Official Statistics • Draft Policy on Coding

UNWOMEN	• Cross-sectoral	• Gender Responsive Budgeting (GRB)	• To be completed. • Assess gender gap and GRB gap in target sectors. • Analysis of the 2011 budget through a GRB lens. • Raising awareness and capacity on GRB (manual on GRB and exposure to regional GRB experience.	• Conducting an Gender Responsive Budgeting Assessment
UNESCWA	• Cross-sectoral • National Implementing Counterpart: the National Center for Management Development and Information Technology (NCMDIT), part of the MoP	• Public Participation Assessment	• Legal Study/Overview on Applied Legislations and Regulations. • Survey on Participation Mechanisms targeting senior officials and decision makers from (1) Sectoral Ministries at federal, regional and local levels and from (2) Local elected Authorities (Provincial Councils) • Focus Group Discussions targeting civil society organizations, communities and end beneficiaries of services	• Finalizing Reports
		• Public Perception Assessment	• Legal Study/Overview on Applied PPP Legislations and Regulations. • Survey on PPP Mechanisms targeting senior officials and decision makers from (1) Sectoral Ministries at federal, regional and local levels, (2) Local elected Authorities (Provincial Councils) through and (3) Private Sector – noteworthy that each sectoral specificity was addressed dedicated set of questions	• Finalizing Reports
	Cross-Sectoral • Primary Counterparts: COMSEC, PMAC and Steering Committee	• SES Study Mission • Participation and Local Governance Study Mission • PPP Study Mission • PSM Study Mission	• Transfer of knowledge methodology. • Combination of presentations and hand-on exposure to lessons learned through field visits. • Identification of action points/follow-up steps at end of each study mission.	• Finalizing Reports

Table courtesy of Ms Rima das Pradhan-Blach

Output (v) *Decentralized service delivery improved in target sectors with local governance*

As output (ii).

Pages 28-30 of the PRODOC provided a list of subject heading and questions that the sectoral work in Phase I was to address. These included questions on

- Policy
- Enabling legislation
- Sector strategies
- Service delivery arrangements
- State owned enterprises
- Overlapping mandates
- The role of the private sector
- Public participation
- Cross sectoral and inter-sectoral coordination
- Delivery gaps and inequalities
- Gender and social exclusion
- Monitoring and evaluation
- e-Governance
- Public financial management
- Equity
- Policy mandates and framework
- Departmental and sub-national structures
- Occupational and pay and grading structures
- Budget allocation
- Service delivery models
- Grouped, common and mal-aligned functions; and
- Restructuring options.

In relation to these topics a great deal of information has been collected. Summary findings are included the table that appears in Annex 1 to this report. The information emerging is arranged under the three sectoral headings: education, health and watsan, together with findings from the two cross-cutting sectors: statistics and e-Governance.

A Novel Entry Point Adopted

The I-PSM programme has adopted what may be regarded as a novel approach to public sector reform, although this was perhaps more by accident than by design. Conventionally, public sector reform adopts a top-down perspective wherein a high level government body - for example the Office of the Prime Minister - initiates a change process while outlining what should be done down the chain of command. The I-PSM programme was not an exception to the idea that leadership should come from the top. However, in Phase I the work that it has been possible to undertake has been undertaken at what may be called the middle level, i.e. in or with the sectoral ministries. In several cases the concerned ministries have reached out horizontally to other national level stakeholders.

The approach adopted has been with an eye to what is required in order to deliver improved services at sub-national level. Yet with the exception of the work on e-Governance, little or no practical action has so far followed at governorate, district, or community level, although this may be possible in Phase II. At the highest level of government a Higher Committee has been formed to guide the programme, although no work has yet followed on National Policy. All of this means that most of the I-PSM programme has engaged with the governance system at a mid point, with work still to be done both below and above.

Box 1

PSM and the Kurdistan Regional Government

As an integral part of Iraq the Kurdistan Regional Government (KRG) has participated in the I-PSM programme. In respect of public administrative reform the KRG is further ahead than the National Government, both in terms of its readiness to try new approaches and is commitment to action. Even before the launch the I-PSM programme the Regional Government had attempted to bring about certain changes according to its own design, as well as employing high profile international consulting companies to provide advice. These initiatives however were found wanting.

The contribution of the I-PSM programme in Kurdistan has been to include the Regional Government in the sector studies that have been undertaken for Iraq as a whole. Certain adjustments have been necessary, for example in dealing with a regional government structure does not correspond exactly to the structure adopted at national level; yet more or less the same processes have been used.

At the invitation of the Kurdistan Ministry of Planning UNDP commissioned an assessment of the Regional Government's public administration reform efforts. As of the end of November 2011 this work was still in process. The fact that a regional government should invite an independent assessment of what it has tried demonstrates remarkable openness as well as a determination to succeed with reform.

Notwithstanding the Regional Government's determination to press forward with PAR, in this regard the policies of the central Government are not always helpful. Funds under the Government's operating budget are released monthly, an arrangement that limits flexibility. On human resources management, the Regional Government has been waiting for the centre to make proposals. As these are not forthcoming the KRG may feel obliged to press ahead with its own arrangements for modernisation. In the human resources development area, the KRG is investing heavily in providing scholarships to send large numbers of young people overseas for higher education.

While recognising that the KRG is in many ways more progressive than the remainder of Iraq – and therefore better able to take advantage of what the United Nations system can offer, UN personnel are sensitive to the fact that the National Government does not wish to see Kurdistan treated any differently from the rest of the country. This is a difficult path to tread and one that has numerous practical implications, such as for example deciding where training workshops are to be held that include participants from all parts of the country.

Multiplier Effects Emerged

Other than in relation to its own objectives, the Iraq – Public Sector Modernisation programme has contributed benefits elsewhere. Each of the UN agencies involved in implementing the I-PSM is engaged in managing a variety of other projects and programmes. Work already done in relation to some of these has fed into the I-PSM, while work on the I-PSM has fed into those other projects. Examples of this are observable in both the education and health sectors.

Institution Building an Outcome

Work undertaken through the I-PSM programme has been instrumental in building relationships with national service providers. For example, in discharging its responsibilities to the I-PSM, ESCWA engaged the services of the Iraq National Centre for Consultancy and Management Development. Through this process the NCCMD became more of a partner than a beneficiary. The work undertaken by the UNDP-managed e-Governance component succeeded in building relationships with a wide range of government bodies, in addition to that with its principal counterpart, the Ministry of Science and Technology.

Capacity Building Observed

A considerable amount of work has been undertaken in assisting Iraqi counterparts in conceptualising and getting to grips - at least intellectually – with the problems and issues that the Government faces. This is entirely consistent with the capacity building purposes of the programme as encapsulated in three of its intended outcome statements. In several instances this work has been facilitated by the adoption of a bi-lingual policy under which all discussion documents have been prepared in or translated into Arabic, and with the use of Arabic speaking consultants. Application of this policy has not been possible across the board, or even successful when applied. Nevertheless, the attempt has been much appreciated by Iraqi colleagues and has contributed greatly to the building of confidence at both the attitudinal and technical levels.

Improved Relationships between the UN and other International Partners

At the end of the Phase I it is clear that a good level of understanding now exists between the UN system and other international partners. This has been possible notwithstanding the differences in viewpoints and personal style that existed at the early stages between individuals working for the UN system (both staffers and consultants) on the one hand, and other international partners. This improvement has been attributable largely to improved leadership within UNDP.

Use of Competent Consulting Firms proved Advantageous

Although it cannot be reported that all of the consulting firms engaged on the programme delivered acceptable work, overall the use of consulting firms for the carrying out of the detailed sectoral work has been extremely successful. Those UN agencies that chose to execute PSM work using their own personnel and /or with the assistance of individual consultants, or that engaged firms of poor repute, did much less well than those that engaged expert services from proven consulting firms. Given the difficulties that the UN system experiences in attracting suitable individuals for work in insecure areas and,

moreover, the amount of time that this process takes, the use of consulting companies to engage on flexible contracts has proved extremely advantageous.

Engagement of Personnel with Strong Local Connections

Those personnel – both international and national – that have a long history of engagement in Iraq have done conspicuously better than those that have come for relatively short assignments. This is attributable to the importance of having local networks of personal relationships through which one is able to get things done. Having an understanding of the society and culture of course also helps. Within the UN system the observation is important in view of the fact that a long-term international posting to Iraq is limited normally to two years. This leads to an unacceptable high turnover of personnel and a rapid erosion of the experience gained.

2.2 PROBLEMS ENCOUNTERED

During its first year the I-PSM programme encountered a significant number of difficulties. Some of these had to do with the design of the programme, some with the political situation pertaining in Iraq, some with the need to negotiate a division of responsibilities between different actors in the international aid scene, and some with a lack of preparedness within the United Nations systems of agencies for managing a joint programme. Within these areas specific problems are discussed below.

External Factors

As is often the case, the I-PSM programme got off to a slow start. This was due a number of factors, several of which were beyond the control of UNDP or any of the UN agencies involved.

The first paralysing factor was that during much of its first year the I-PSM programme had to deal with the absence of a government. Following the elections of March 2010 it took nine months until December of that year before a Government was formed. During this period and for many weeks thereafter there was no real opportunity for UN agencies to engage with key actors, much less for progress to be made in addressing PSM issues. Few observers could have predicted such an impasse whose effects undermined the new programme, the preparatory work for which had been in progress since 2008.

The second major obstacle was the decision by USAID to support civil service reform. Given the fact that CSR was a key part of the I-PSM programme, already funded by the UNDG ITF, re-negotiating the design with USAID, the ITF and the donors took a considerable amount of time and energy, more especially for UNDP. It was unfortunate that USAID's plans had not come to light earlier. This could possibly be explained by the poor relationship that had been engendered by UNDP personnel and its consultants towards the US Agency.

The I-PSM Programme not Demand Driven

The absence of visible political support for PSM at least at the highest levels in government has been another reason for lack of progress. Iraq is a hierarchically organised society with a strong attachment to the idea that power and initiative must flow from the top, or at least must be sanctioned by higher authority. In the political climate that has prevailed during the programme's first 21 months, embarking on root and branch reform has clearly not been on the approved agenda; one may speculate indeed whether it ever will be. Although strong political leadership is required to energise a programme of the PSM type, any initiative that may be perceived as threatening the interest of large numbers of Iraqis now deriving benefit from their employment in the civil service remains highly problematic.

The I-PSM design took into account the inability of the Government to agree on major public administration reform and the focal point for such an undertaking. The choice for UN was either to wait for such an entity and detailed plans to be put in place, or to move within the constraints of the situation by selecting pilot ministries supported by relevant UN agencies. Working with sectors in the absence of an all of government reform programme necessarily involved addressing issues that were considered as priorities within the sectoral ministries.

The programme document reports that that programme was “shaped in full consultation with the Government of Iraq by external analytical and diagnostic work ... in UN supported consultative workshops, stakeholder meetings and donor group discussions.” In this process, during 2008-2009 the Ministry of Planning and Development Cooperation played an important role. From May to November 2009 consultants who were subsequently called upon to assist in drafting the programme document were located in offices of the Secretariat of the Council of Ministers and thus had ample opportunity for dialogue with relevant Government officials, including those of the Prime Minister’s Advisory Council.

June to August 2009 a series of Issues and Options Papers were produced and discussed with Government and the UN Country Team. These consultations resulted in a letter of endorsement for the programme signed by Mr Ali M. Al-Alaaq, Secretary to the Council of Ministers, and Mr Thamir Abbas Ghadhban, Chairman of the Prime Minister’s Advisory Commission. A second draft of the programme proposal was approved by the UN’s Sector Outcome Team following which, in October 2009, the proposal was forwarded to the UNDG Iraq Trust Fund.

History being what it may, for most of the implementation period the situation has been characterised by a lack of evidence that the current Government is in any way committed to PSM, or even understands what this would imply. The situation is in sharp contradistinction to the situation pertaining during the period 2008-2009, at which time the then Deputy Minister of Planning and several members of the Council of Ministers were strong advocates for public sector reform.

The forgoing does not deny that there is current pressure at sub-national levels for an increase in local responsibility for service delivery. By way of example, Law 20 of 2010 authorised the transfer of personnel, properties and budgets from the Ministry of Municipalities and Public Works to the provincial councils. This law was declared unconstitutional by the Supreme Court, but there remains a demand that the responsibilities between federal and local government be clarified.

From later 2010 until end 2011 at the higher levels of government the I-PSM programme has articulated almost exclusively with three individuals: two senior civil servants and the above mentioned Mr Thamir Ghadhban, now advisor to the Council of Ministers. At the level of individual ministries the principal point of contact has been with the Director Generals or their immediate subordinates. There is no doubt that within this technical cadre there is recognition of the need for action and, in many cases, a personal commitment to work for change. Nevertheless, to date there has been no engagement at Prime Ministerial or Deputy Prime Ministerial level, and no attempt to communicate at that level the importance of leadership concerning the issues that have to be addressed. In announcing his 100-day programme to improve services to the public and scaling back the number of ministries the Prime Minister appears to be ignorant of the aims and ambitions of the I-PSM programme.

The foregoing obstacle notwithstanding, following intensive lobbying by UNDP February - July 2011, a programme steering committee was formed under authority of the Council of Ministers. The committee, named the Higher Committee for Administrative Reform (HCAR) is advisory to the Council. The Council of Minsters itself is now chaired by Mr Ali M. Alaq, already mentioned as a key advocate of public sector reform and a prime mover in launching the I-PSM programme. The HCAR is chaired by Mr Thamer al Ghadhban, PMAC Chairman, assisted by the Director General PMAC. The Co-Chair of the HCAR is Professor Hamid Ahmed, Chief of Staff of the Prime Minister’s Office, a political appointee well regarded internationally.

Other members of the HCAR include representatives of the Office of the Deputy Prime Minister; members of the Council of Ministers; and of the Ministries of Finance, Justice, Planning, and Industry and Minerals. The international donor community is represented on the HCAR by USAID, UNDP, World Bank, DFID and SIDA. In due course the Higher Committee may include nominees from Iraqi universities, the private sector and independent experts. Regrettably, the HCAR does not enjoy the weight of executive authority as was envisaged for the "PSM Task Force" originally foreseen (pages 13-14 refers).

Although constituted in early 2011 the first and second meetings of the Higher Committee did not take place until 4 and 24 August, with the third meeting on 16 October 2011. Committee meetings have tended to follow a regular format, with those around the table providing summaries of what their organisation is doing or recommending. The Committee has yet to evolve into an instrument of advocacy for public sector reform. On several occasions Government representatives have urged international partners to coordinate their work with the others. In response UNDP has drafted a framework for aid coordination in relation to PSM, a framework that is now generally agreed by the key players.

Box 2

Terms of reference for the Higher Committee include

- Developing a vision for public sector modernisation, priorities and a roadmap for public sector reform;
- Coordinating stakeholders and exercising oversight of public sector reform programmes implemented by international organisations;
- Establishing Administrative Reform Units in sectoral ministries; and
- Identifying human and other resources necessary to staff up the modernisation process.

Although an advisory body rather than an executive, there is scope for the Committee to take decisions by consensus on the action that it feels necessary. The Government's general framework for addressing public sector reform comprises two pillars: (i) public administration development, and (ii) policy making, human resources development and civil service reform. Pillar (i) includes public financial management,[10] knowledge management and information technology, and service delivery.[11] Pillar (ii) includes civil service reform[12] and the development of a senior executive service.[13]

To advance thinking in the forgoing areas the Higher Committee has resolved to set up thematic working groups. It is also resolved that linkages are to be established between the Higher Committee and the Ministerial Advisory Committees that were set up to lead sectoral work in each of the Phase I Ministries.

[10] Assisted by World Bank.
[11] Building on the sectoral work undertaken by the I-PSM programme Phase I.
[12] Assisted by USAID.
[13] Assisted by UNDP.

As part of the process aimed at assisting the Government in formulating a National Policy on Public Sector Modernisation, an overall vision and road map covering all of the above elements was drafted by UNDP and submitted to Government July 2011. A response from the Higher Committee is awaited.

It is perhaps too early to evaluate the potential of the HCAR or its limitations. However, it is clear that a major factor constraining more rapid progress on PSM is that the three senior government personnel with whom the UN system articulates are all overloaded with other responsibilities. In this situation there is danger of trying to ventriloquise the Government's wishes. Yet in the absence of a clear commitment on the part of Government to move forward on public sector modernisation the I-PSM programme - as an all-of-government undertaking – appears, for the moment at least, dead in the water.[14]

The Programme Vision - Big Objectives: Small Means

The best way to understand what is meant by an "all-of-government" approach is to take cognisance of what has been tried in the past. The programme document describes the historical ways as follows

> International donor support for improved public sector governance in Iraq has focused on capacity development here and there, rather than on holistic and cohesive public sector reform. As such, many of the core elements necessary for public service improvement have been omitted. In addition, efforts have been dispersed among sectors and to some extent also geographically. The results of such efforts are not sustained because the form and functionality of fiscal and administrative relations are neither driven by nor approved by the centre.

The all-of-government approach was therefore intended as the big answer to a large, complex and interwoven set of problems. On top of this, from as early as 2005 it was clear that the lack of administrative and fiscal reform in Iraq would be an impediment to implementation of the then proposed power sharing arrangement and associated decentralisation. In that context also the PSM programme was conceived as an instrument by which the competing centripetal and centrifugal forces could be brought more into balance and sustained thorough new modes of service delivery.

Unfortunately, political realities have combined with long established custom and practice to prevent work on such fundamental issues; at end of 2011 devolution remaining among the two or three most contentious governance issues facing the country. The tensions between a constitution that provides for power devolved to the sub-national levels and the centripetal forces of the state have still to be addressed by PSM. The programme's programmatic thrust has so far been limited to addressing largely technical issues pertinent to individual sectors.

The situation with the I-PSM is in marked contrast to that which has been achieved through the UNDP-managed Local Area Development Programme, a programme running concurrently with the I-PSM. Working in cooperation with representatives from Ministry of Finance and Ministry of Planning, the LADP is helping to empower governorates, districts and sub-districts by training them in community level planning and budgeting.

[14] Readers' attention is drawn to the proposals contained in Section 3 of this report for a modified PSM programme.

The Programme Design

The Iraq Public Sector Modernisation programme emerged as the result of a confluence of several interests. First, UNDP's global mandate includes a responsibility to promote good governance. Work on public sector reform and, within that area, civil service reform, has for long been one of the organisation's special interest. In the period 2007-2009 the situation in Iraq clearly argued for an initiative in this area.

Second, it was known that the Iraq Trust Fund had at its disposal some USD 60 million, an amount reportedly arising from the interest earned on deposits. In this context it appeared convenient to merge two existing UNDP programmes – *the Decentralisation and Local Governance for Social Service Delivery with focus on the MDGs*, and *the Public Sector Reform Programme*, into a larger package.

Third, the consulting company Geopolicity Inc. had accumulated considerable experience in promoting public administrative reform in countries recovering from conflict. The company, based in Dubai, was an active lobbyist for an all-of-government approach to PAR. The form taken by the I-PSM programme was much influenced by the approach advocated by that company. In 2009 Geopolicity had already undertaken PAR work in Iraq under the terms of a United Nations Development Group /Iraq Trust Fund project *Support to Decentralisation and Local Governance (C9-24)* supported by the Government of Spain. This work consisted in the carrying out of a series of studies, published May 2010, that included a treatment of health, education, water and sanitation, civil service modernisation, and managing the Tigris-Euphrates watershed. Three of the resulting reports were described as "Sectoral Scoping Studies" and one, the study on civil service modernisation, as an "Implementation Roadmap."

The compendium of studies referred to represented what might be described as a traditional piece of work emanating from an experienced consulting company. Although the work was generally of high quality it is reported that Government personnel did not play significant roles in formulating or executing the studies, and in fact later disputed statistics there included.[15] However, most of what was produced foreshadowed what was later to emerge through the more participatory methods adopted in the I-PSM Phase I.

Two further interests served as drivers for the I-PSM programme. The spokespersons for UNDP and Geopolicity believed that their particular approach to public administrative reform was far superior to that adopted by USAID in its Tatweer programme, as well as superior to the policies of the European Union. In pursuit of their position, UNDP at the time together with Geopolicity, adopted a hubristic line that alienated both from the other actors.

Finally, within the UN family of agencies there was recognition of the fact that USD 60 million would go some way towards addressing their financial needs. At one stage it was expected that the resources would be divided between an existing Decentralisation and Local Governance programme and the new Public Sector Modernisation programme. In the event the Trust Fund awarded USD 5 million to FAO for work in the agricultural sector, leaving USD 55 million for work on governance. For Phase I of the I-PSM this amount was divided between eight agencies as shown in Table 2 below.

The amounts awarded to each of the five agencies (UNDP, WHO, UNICEF, UN-HABITAT, and UNESCO) were determined by rough estimate and channelled directly from the Iraq Trust Fund. Although the implementing partner for each programme output appeared in the

[15] The figures used were drawn from UN sources because, outside of COSIT, there no sector-specific statistics were available. Although the consultants claimed to have worked with their Government counterparts, at presentation of the finding quite different personnel attended.

work plan attached to the PRODOC, and although a global amount was budgeted against each output, the amounts awarded to each agency were not tied to the delivery of specific outputs. This meant that there was no accountability for the delivery of services at the level of individual partner agencies.

Table2: Allocation of Funds Under Phase I

Agency	Amount USD
UNDP (lead agency) of which the below amounts were passed to	5,000,000
UNFPA	883,575
UN-ESCWA	1,385,663
UNIFEM	757,560
WHO	2,000,000
UNICEF	2,600,000
UN-HABITAT	2,000,000
UNESCO	2,000,000
Total Planned Budget – Phase I	**13,600,000**

Exceptions to this situation were the allocations made by UNDP to the remaining three agencies (UNFPA, UN-ESCWA, and UN-WOMEN). Those allocations were carefully budgeted and assigned under three separate inter-agency agreements, totalling USD 2,601.465. With the exception of those arrangements, at the level of the programme as a whole UNDP had no means by which it could exact accountability for the funds assigned. This was partly a feature of the programme design, i.e. the absence of any contractual obligation on the implementing partners to do what was expected and so provide value for money, and partly a result of the principals of equality and collegiality that are supposed to inform inter-agency relationships within the UN system.

As explained in the section immediately preceding (The Programme Vision) the purposes lying behind the original concept of the I-PSM were strategic. Given the instability prevailing in Iraq at the time they may even be described as visionary, if not also courageous; it often happens that the best time to introduce ambitious new ideas is at a time of national crisis. Yet, as written, the programme document is both grandiose and, for a programme of only four years duration, quite unrealistic. At 84 pages of closely typed small font, the document is long and repetitive. The intended outputs and outcome are poorly formulated and, with the exception of the targets that apply to the Phase I, there are few independently verifiable achievement indicators. The document appears to have been produced by many authors whose work has been cobbled together rather in the vein of a political manifesto than a programme plan. As it stands, the PRODOC was and remains unimplementable.

The section of the PRODOC on Implementation is extremely weak. Elsewhere mention is made of the family of United Nations agencies but the role that each organisation is to play and their inter-relationship is not elucidated. To fill such gaps, for large programmes and projects it is customary that an Inception Report be produced, one that sets out how the aspirations set forth in the PRODOC are to be turned into action. This is usually accompanied by a plan for monitoring progress. For the I-PSM programme no such documents were produced.[16]

[16] Inception reports were produced by the individual UN agencies in relation to the work that they intended in their own sector. These reports did not however provide unity to the programme or a means for monitoring its overall progress or impact.

Implementation of the programme design suffered greatly from a change in personnel. Those on the UNDP side who had been instrumental in launching the programme moved elsewhere with a corresponding loss of impetus. The Deputy Special Representative of the Secretary General, who had been an active supporter of PSM, also changed. In November 2011, of the 14 UN staffers who were involved in programme consultations June 2009, only one remained on staff. At the same time the dynamic relationship that had existed between UNDP and the consulting company Geopolicity also suffered.

Staffing Problems

Management of the I-PSM programme suffered greatly as a result of the difficulties encountered in recruiting a Programme Coordinator. In the first few months of the programme the Head of the UNDP Governance Cluster performed this role. However, from the date of her leaving, May 2009, it took a further 14 months until June 2011 before the post of Programme Coordinator could be filled. The numerous difficulties included (i) the fact that until 19 August 2010 UNDP did not have access to the funds necessary to employ a person and, under its rules, was therefore not permitted to advertise the post[17]; (ii) a poor harvest of applicants - in terms of both number and quality[18]; (iii) an abortive attempt to place an internal candidate in the position – who was finally disqualified for lack of sufficient relevant experience; (iv) the extra care that was taken to vet the most likely candidate; and (v) the fact that the most likely candidate was not immediately available to participate in the selection procedure and, (vi) after being offered the job the offeree was not immediately available to take up the post.

Some of these difficulties merit further explanation. For international posts based in Baghdad UNDP normally receives very few applicants; for the same grade of post working on the same project or programme but based in Amman, UNDP expects to receive between four and five times as many applicants. Aside from the fact that Bagdad is a non-family duty station, Iraq is rarely at the top of anyone's list of desirable postings. Environmental and social conditions and the lack of services available to UN personnel in Baghdad constitute serious disincentives.

Following the existing guidelines on remuneration the United Nations system finds it extremely difficult to attract high calibre recruits; incentive arrangements – where they exist – have to be managed contrary to regulations. Added to this, the United Nations common HR policies have decreed that the benefits paid to personnel in countries affected by conflict shall be progressively reduced from the levels pertaining in July 2009. These factors together make a post based in Baghdad unattractive.

The all up cost of employing a Programme Coordinator at the P5 level is around USD 500,000 per annum. Approximately half of this amount is required for life support, including security protection. Given the high cost of employing such a person it was considered necessary to conduct a written test, a telephone interview, as well a face to face interview in Amman. Getting the most likely candidate to Amman for the purpose proved to be a time-consuming process. By the time the appointee was actually in place the programme was already into its 14th month, and had little more than six months to run before the end of the Phase I. In the eventuality, in November 2011 – five months after joining, the appointee resigned, quitting his post 9 December 2011.

[17] The post was advertised 30 August 2010
[18] Applicants numbered nine.

The centralised nature of personnel recruitment for work in UNDP and other UN agencies serves as a major obstacle to the effective implementation of development aid programmes worldwide. With good advanced planning at project or programme level some of the difficulties can be overcome, but the desire within the United Nations system to ensure open, fair and transparent personnel selection means that rigid and time consuming procedures are put in place, procedures that are often if not usually antithetical to achievement of the organisation's purposes. This is a particular problem for work in hostile or unstable theatres, such as Iraq, where the operational circumstances are often unpleasant and where human factors result in high staff turnover.

An added problem, one that limits the number of applicants for advertised vacancies, as well as predisposing to the selection of unsuitable candidates, is that there is often a misconception concerning the qualities that the candidate needs for the job. Most usually, recruitment to P-grade posts is based on assumption that expertise in some technical subject area is most important. For work in the upper P-grades in practice this is rarely the case. Rather, what is usually needed is advanced complex social learning ability combined with those intellectual, organisational, communication and facilitation skills that make for a good leader. A propensity to live and work according to a set of other-oriented values is also essential. In insecure environments, adaptability, patience and a tolerance for stress are needed too. Familiarity with a relevant technical field is of course necessary, but in the absence of the other qualities this does not make for an effective staffer.

From this discourse it is clear that public sector modernisation has its limits; the common human resource management system currently in use within the UN system is contrary to the decentralisation practices that UNDP and other UN agencies advocated for adoption by the Organisation's member governments. At country programme level the problems are well recognised, but individual staff members feel powerless to do other than follow the prescribed procedures, many of which – for programmes in insecure theatres at least - are in urgent need of reform.

The Absence of Guidance

The absence of an inception report (a usable implementation plan) combined with UNDP's staffing problems led to a situation where, for the first 14 months, there was little guidance provided to the four UN agencies that had taken on the work at sectoral level. In the early months considerable discussion took place on how best to proceed but in the end there was no consensus of opinion, let alone agreement on how the required outputs were to be produced. The PRODOC did contain guidance in the form of a list of activities relating to outputs 4 and 5, together with some more general guidance in the body of the document.[19] In November 2009 Geopolicity also provided an *Issues and Options* paper[20] that was circulated by UNDP to the involved agencies. However, with the departure in May 2009 of UNDP's then Governance Cluster Head, the process fell into abeyance.[21]

[19] Work plan pages 57-60 plus the text on pages 28-30.
[20] Geopolicity *Issues and Options for Public Sector Modernisation in Iraq*, November 2009, 22 pages.
[21] In August 2011, under contract to UNDP, Geopolicity produced guidelines that were intended to assist agencies prepare sector assessments. For future analytical work of the kind undertaken in the Phase I this document would be extremely helpful. See *Draft General Methodology for Conducting Full Functional Sector Assessments (Phase I)* 8 December 2011. The document responds to the PRODOC for Phase I, incorporates the guidelines mentioned in footnote 21, drew on work produced by OECD, and on the experience of agencies engaged in the Phase I sectoral work. It also gives needed attention to gender issues.

In November 2010 an international consultant was engaged to advise the UNDP Acting Country Director on the conduct of the programme, and in that capacity undertook three missions. However, as explained, the Programme Coordinator was not on board until June 2011. Even as late as October 2011 some of the agencies claimed that they were uncertain regarding what a Sectoral Roadmap should contain.

With the exception of UNDP, public sector modernisation was not the speciality of any of the UN agencies involved[22] and, as stated, in UNDP's case from May 2009 there was no one on staff available to provide the necessary detailed guidance. At an early stage Geopolicity proposed that a firm be contracted to take on the task of carrying out the required studies across all of the sectors. UNDP acted on the idea by launching a call for proposals but the process was subsequently abandoned, reportedly for want of the necessary human resources in the procurement office.

This meant that each of the concerned UN agencies struggled along with their own methodology, with the use of ill-equipped government experts, and /or with individual service companies that they themselves contracted. In each case a rationale existed for the approach taken but each brought with it different benefits, costs and risks.[23] In those case were the agency's pre-existing methodology was adopted and /or where heavy emphasis was given to capacity building - and therefore the use of national personnel for the carrying out of surveys, etc., considerable difficulties were encountered.

The end result was that each of the sectoral studies required under the Phase I were formulated in different ways, presented in different formats, and to vastly different standards of technical excellence. Some of the studies were based on extensive consultation with a wide range of stakeholders while other drew only on a narrow ministerial view. Many of the reports are of a high standard and address issues of central concern to public sector modernisation; others deal only with subsidiary sectoral issues. Some of the reports are so poorly written that they must be regarded as of limited value, at least in the context of PSM. Finally Geopolicity was engaged for three person-months to synthesise the work produced and, to the extent possible, unify the results and recommendations made. This however has not been an easy task, with the final product providing less than optimal coverage of the field.[24]

Lack of Attention to Gender Issues

A re-modelling of the four pre-existing agencies and units of the United Nations system into UN-WOMEN brought with it unanticipated organisational problems and, so far as concerned the I-PSM programme, additional delays. With a new structure and administration, communications between the field office for Iraq and Headquarters was less easy than anticipated.

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[22] This statement does not deny that individual UN agencies have an interest in good governance and expertise in approaches available to deliver it; some more than others. UN-HABITAT for example specialises in the development of good governance at the local level, involving particularly work with municipalities and community groups in the delivery of basic services.

[23] WHO reported that "choosing to do a sector performance assessment rather than a pure Functional Review in the health sector ... was adopted with agreement and active support of the ministry of health and the MAC [and that] the diagnostic phase report, while being a sector assessment includes important elements of public sector reform." WHO also explains that "The issues in the civil service /public administration in Iraq [were] so many and diverse that a focused functional review was difficult to carry out and would not have delivered the desired results. In the absence of documented norms, regulations and mechanisms it [was] very difficult to do a robust functional review." Written response to the draft evaluation report, 10 December 2011.

[24] Completion of the synthesis exercise depends on the receipt of further information from UNESCO.

Both UNDP and UN-WOMEN carry briefs for advocacy on gender equality. Recognising UNIFEM/ UN-WOMEN's involvement in the I-PSM programme, initially UNDP decided to focus its efforts elsewhere. However, although gender awareness and gender responsive planning is mentioned in the I-PSM programme document, in general the outputs of the Phase I have not included attention to gender issues. Notwithstanding expectations that activities funded through the United Nations system provide for at least 20-30 percent female participation, the I-PSM Higher Committee on Public Sector Modernisation includes only one Iraqi woman.

From the side of the UN agencies, with the exception of UNICEF, UN-HABITAT and UNDP, few women have been involved in administering the I-PSM programme. In the cases were women UN staffers have been involved it has been possible though example and leadership to increase the number of Iraqi women involve in the Ministerial Advisory Committees.[25] This is not an issue that is easily resolved but it does point to the need for attention to be given by UN-WOMEN and the gender support persons within UNDP to ensure that programme methodologies and outputs take women's interests into account. In spite of having asserted claim to a leadership role in the subject area, UN-WOMEN has not been able to ensure consistent representation in the UN's monthly programme coordination meetings.

Security Concerns

Iraq has been and continues to be an insecure environment. Millions of Iraqis live every day with the dangers and privations that this brings. However, following guidance provided by the United Nations Department for Safety and Security, backed by decision of the United Nations Assistance Mission in Iraq, the movement of international personnel working in country is highly circumscribed. Specifically, the security regime to which international UN personnel are subject makes it extremely difficult for them to meet their Iraqi counterparts. Even though in principal it is possible for Iraqis to meet their interlocutors in a secure location, few are ready to endure the indignity of queuing for long hours in the sun to pass through the various security cordons by which the foreigners are protected.

To cope with these difficulties several strategies have evolved. Country offices for each of the UN agencies working in Iraq are located presently in Amman, Jordan, with a limited number of satellite works stations and living units available in the Baghdad International Zone. Iraqis are not limited by the same restrictions as are placed on internationals, so most of the UN agencies engage national personnel through whom the international cadre may operate. In many cases national personnel are not required to attend more than occasionally the organisation's office in the International Zone but instead work from home.

Where protracted or in-depth contact with government counterparts is required, meetings, workshops or conferences are organised outside of Iraq in Amman, Cairo, Beirut or Istanbul. For shorter meetings, visits to the "Red Zone" are possible but only with several weeks of advanced notice and a military convoy to accompany the visit. However, scheduling is unpredictable and with meetings time limited for security reasons, and the heavy costs involved, this is rarely considered worthwhile.[26]

[25] Through though the leadership extended by the CTA and Head of Mission for UN-HABITAT 20 percent of the permanent members of the MAC were women.

[26] An additional strategy, one used in the past, that has involved use of the Al Rashid Hotel as an "Orange Zone" meeting place, is currently unavailable.

The net result of these arrangements is that the UN system in Iraq is extremely expensive to operate. This is no less true for diplomatic missions but it does make operating any type of development programme highly problematic. Apart from the expense, the fact that foreigners working for the UN system are cocooned behind high concrete walls, shielded by military personnel from the dangers that Iraqi nationals must bear every day, makes the establishment of relationships more than difficult.

In any environment, as an outsider, advocating change is a monumentally difficult task and one that depends most usually on the quality of relationships that it is possible to cultivate. Trying to do so by remote control is a less than rewarding experience. By comparison, international advisors and consultants engaged through companies are not subject to the same security restrictions and can move around in Iraq with greater freedom. National consultants can be even more effective: the UNDP implemented Local Area Development Programme has successfully brought about change and modernization at the governorate and district levels using Iraqi-contracted Area Coordinators.

Working Relationships between UN Agencies

As designed, the I-PSM programme placed UNDP in the position of coordinator of the work of the other involved UN agencies. But as already explained, UNDP possessed no lever by which it could orchestrate the work, let alone require other UN agencies to report on activities or cooperate in the delivery of outputs. The condition of responsibility without authority in which UNDP was placed is common to UN joint programmes globally, and is therefore a matter that merits attention from the United Nations Secretariat. Yet at the level of one joint programme, the I-PSM programme, the difficulty needs to be addressed.

As they are in competition with one another for donor funding and enjoy quite distinct organisational cultures, few UN agencies are willing to compromise their autonomy by subjecting themselves to the concept of a One-UN, at least if this implies management of their work by another agency. However, by November 2011 recognition of the difficulties that separatist policies have entrained has brought most of the concerned parties to acknowledge the advantages of having an overarching management structure for Phase II.[27]

Many of the problems from which agencies suffer in the field are a result of policies or procedures imposed by their headquarters. In most cases such problems are not amenable to being addressed at country programme level. As an example, UN-WOMEN, an agency without core funding, was unable to pre-finance work agreed with UNDP without a guarantee that funds would be forthcoming. Consequent on UNDP Headquarters' need to resolve a difficulty that had arisen with the management of funds allocated to UNIFEM elsewhere, considerable uncertainty surrounded the availability of funds committed to the I-PSM programme. This contributed to delays in procuring the services a consultant to work on gender responsive budgeting. In a procedure-rich system with few incentives to creativity and problem solving many other such examples could be given.

[27] Note on IPSM Retreat in Amman November 9-10 2011, prepared by Bob Boase, I-PSM Advisor.

Part 3
MOVING FORWARD

Part 3 of this report surveys the environment that the I-PSM currently inhabits. This is made up of factors both external and internal to the programme as it currently stands. Section 3.1 deals with opportunities, i.e. aspects of the situation that are relatively easy to deal with and that should be taken advantage of. Section 3.2 deals with the challenges, or those factors that are important but that require a greater degree of determination and organisational acumen. In fact, many of the challenges might be seen as simply a more exciting group of opportunities. The writer's recommendations are inherent in the analysis but summarised as a simple check list in part 3.3

3.1 OPPORTUNITIES

Further Work at Sectoral Level

One of the successes of the I-PSM programme has been to degree to which the Ministerial Advisory Committees and associated work groups in each pilot ministry have succeeded in facilitating the participation of government personnel in thinking and planning for modernisation. By means of this approach a high level of "buy in" has been achieved for both process and product. Seizing the opportunity one can but build on the momentum that has been generated within the pilot ministries.

At the same time, it must be remembered that the sector reports have been produced by officials working at a technical level; rarely have they been the key decision makers. In some cases certainly, Deputy Ministers have participated in the MACs and Ministers have been briefed on the proceedings, but Ministers may or may not share the views expressed in the reports that have been produced. Although there are exceptions[28] it is unknown indeed whether what has been produced has been read at that level.

Having produced a pile of good work the task now is to communicate and persuade of its benefits. As a minimum the synthesis reports should be translated into Arabic, with Ministers and other ranking officials invited to participate in a one-day high level conference at which the purposes and successes of the programme are extolled. Consideration may be given to producing very simple boiled down and illustrated versions of the documentation that outline the strategic directions that have been discussed. Presenters should be carefully selected and trained in effective communications.

In the absence of strong political support for the concept of PSM the question remains: what further can be done that stands a chance of bringing better services to the people of Iraq? Downsizing the civil service will not be among those tasks with which one may proceed, neither would combating corruption. Not everyone will be persuaded of the importance of public sector modernisation and those whose interests are threatened can easily become spoilers of the change process. But without doubt there are steps that can be taken that are within the decision making authority of ministry level officials.

[28] In the health sector the Minister of Health was briefed on findings and recommendations, while the Senior Deputy Minister confirmed that he had read the report and endorsed it.

Outside the three main sectors, the work undertaken on e-Governance (UNDP) and national statistics (UNFPA) has produced very positive results, progress attributable to a combination of first class technical assistance together with high levels of commitment from the Ministers and /or Directors General of the concerned government bodies. An important ingredient in their success is the fact they were and are led by competent Arabic speaking contractors with exceptional knowledge and experience in their technical field. These elements were observed also in the work with some of the sectoral ministries, a matter that holds important lessons for recruitment and implementation of all Phase II components.

The link between the development of e-Governance systems and broader public sector reform may with advantage be further explored, starting with a robust I-PSM 2 website to publicize and promote the modernization process. In the statistics area consideration may be given to including continued support to the Iraq Development Management System (including the Kurdistan Management Development System), a project funded previously by USAID through Tatweer, the European Union through UNDP, and the Government of Spain through UNOPS.

To move beyond what has already been produced one may propose that the pilot ministries select from their completed Road Maps those actions that they are able to initiate without recourse to higher authority. This may be limited to capacity building of various kinds, or to other actions that are far from embarking on root and branch reform but that are nevertheless essential to moving forward. This may include for example the provision of training in strategic planning and budgeting, human resources management, human resources development, and techniques for participatory planning. Depending on progress that can be made in this way, it may even be possible to formulate elements of a national strategy based on what can be agreed across the sectors. If and when higher political support for PSM becomes available the pilot ministries will be well placed to take advantage of the new climate. In the case that no such development comes to pass, then at least the ministry personnel will have acquired some skills that they may use in other contexts.

The UN agencies that have been working with the pilot ministries in Phase I may assist the ministries in selecting those objectives and associated activities on which work can proceed. Subject to the formulation of acceptable work plans the agency may apply for a grant that would enable such work to proceed. Any such proposals must however be formulated in accordance with the requirements of advancing public sector modernisation, that is without undue emphasis on purely sectoral or technical issues. Further, it will be essential that such proposals demonstrate adequate professional capacity to undertake the PSM work outlined and that the proposal be costed to ensure value for money.

Local Area Development

The opening paragraphs of section 2.2 of this report explained that that the PSM programme was conceived in part as an instrument by which the decentralisation of governance functions – particularly in relation to the delivery of services - could become a reality. Output 4 reads "*Decentralized Service Delivery Improved in Target Sectors with Local Governance and Participation Enhanced."* In fact, the I-PSM programme to date has not worked at the local level in any significant way. The tensions between a constitution that provides for power devolved to the sub-national levels and the centripetal forces of the state have still to be addressed.

Global experience shows that reform almost always begins at the local level. This is where the bureaucracy interacts with the citizenry and where the local authorities are obliged to recognise the need for change. Top-down supply side approaches to public sector reform have their place, but these work better and much faster if there is also a demand from below.

If it is to be more effective the I-PSM programme will need to place more emphasis on work at the provincial and district levels. Such work is in fact already under way through a UNDP-managed Local Area Development Programme. The LADP works through a team of 15-20 facilitators and trainers based at governorate level. The work involves building the confidence of local communities and strengthening their skills in planning so that they may interact more effectively with central government. There has been considerable capacity building of the national team and its members have remained constant over the past three years. A LADP Phase II has been planned but remains to be implemented.

Separate streams of activity are managed by UN-HABITAT. These include ongoing work with the Iraq Local Government Association (including a recent field trip to Turkey to see the work of a Municipal Association); preparation of a decentralization toolkit; the training of elected Councillors; and an investigation into local operation and management aspects of water and sanitation services. Both the LAPD programme and some of the UN-HABITAT work provide opportunities – doors through which the I-PSM programme may deliver on its undertaking to promote participation and local governance. These doors should be used rather than attempting to build a separate approach.

As already explained, Phase I of the I-PSM programme addressed sectoral governance issues with reference to the specifics in each sector. The result is a series of reports that provides a great insight into the nature of the problems that are confronted, together with some ideas on moving forward. What the sectoral work does not do is show how the individual streams of activity – in health, education, water and sanitation – fit together.[29]

The availability and quality of education or health or water or sanitation services that it is possible to provide depends on many factors, not the least of which is the spatial relationship of those services to living areas, work and leisure facilities. The possibility of engineering services to homes, factories, schools and hospitals depends on the spatial distribution of those facilities in relation to water sources and topography. Individual needs can only be addressed in a harmonised and cost-effective way by taking account of regional and urban planning considerations. At the very least, before action plans are cast in each sector, the urban master plan and spatial distribution plan must be consulted. The actual situation and proposals for future work in the other sectors also has to be taken into consideration.

To achieve optimal outcomes for investments made in each sector it is necessary to look at the arrangements that exist - or that can be brought to exist – for achieving quality decision making in municipal affairs. Competent urban planning depends on competent municipal governance, and it goes almost without note that good governance means that inhabitants are consulted and have their views taken into account.

Such limited devolution of powers as has been possible in Iraq has empowered the governorates, but for urban areas it is the city that matters most. At the city level there is a governance gap. Further work is needed to extend to this level, and ways have to be found to ensure that the different streams of sectoral activity come together in ways that improve the quality of life for urban Iraqis. This will not happen if the I-PSM programme continues to operate in sectoral stovepipes.

[29] Another issue that the sectoral roadmaps do not address is how the common all-of-government reforms - such as HRM & Financial Management - can and should be brought together.

The Arab Spring, Youth and Citizenship

It is generally agreed that PSM is not something to be achieved even in a single generation; too many factors have to be in place to allow change to come about quickly. So if a long-term perspective is required: what can be done in the space of the three years remaining for a Phase II that will sow seed for the future? The point has already been made that the quality of governance that is possible depends not only on the supply but also on the demand. The citizenry has to know that it has rights – to self expression and to demand the services that are provided for in the constitution and in law. Yet people also have to understand that for the preservation of peace and stability it is necessary to express one's views in ways that are constructive rather than divisive.

In the Arab world early 2011 there has been an uprising of unprecedented proportions. Now in many countries people are campaigning for basic services, against corruption and for employment. Such issues and the prospect of having a voice are of greatest interest to young adults, who also learn more easily than the older generation. This represents an opportunity that should connect with public sector modernisation. In a democratic society citizenship education is an important part of what is required to make governance work. This is especially so in Iraq, where (according to 2007 figures) 43 percent of the population is under the age of 15 years and 20 percent are within the age group of 15-24. For Iraq to move beyond the difficulties that it currently faces an investment must be made in the youth.

Specifically, there is need for young leaders to be exposed to the workings of democratic systems – to see and learn for themselves how differences are overcome and cooperation achieved, while at the same time acquiring those skills that are needed for effective democratic leadership. To achieve such ends many different vehicles are possible. Scholarships, study tours, youth conferences, essay competitions and the launch of a youth corps are the ones much tried.[30] But the United Nations system is a vast organisation with connections in many parts of the world. Within its myriad projects aimed at peace building and socio-economic development there are almost certainly opportunities for young people to observe if not also participate. Peaceful popular participation movements are now afoot every part of the world, not least in the Arab states, and there is no reason why young leaders from Iraq should not have the opportunity to learn from them. Of course, such an experiment would need good planning and careful tutoring.

The three "lighthouse themes" adopted by the UN Country Team at its Integration Retreat, December 2009, included water, environment and youth. An integrated holistic approach to these issues has been advocated, mostly recently by the newly appointed Special Representative of the Secretary General. For work in the youth area, two of the UN agencies that have been involved in the Phase I have relevant responsibilities. UN-HABITAT organises a World Urban Youth Assembly (linked with the World Urban Forum), while UNESCO provides advice and assistance in relation to civic education more generally. A project entitled *Promoting Civic Values and Life Skills through Education for Young Adults in Iraq* is already running with assistance from ESCWA, UNESCO, and UNFPA; this experience may be built upon. In many counties, national associations in support of the United Nations Organisation run citizenship training programmes. The formation of a similar "United Nations Association" could be encouraged for Iraq.

[30] On study tours see the recommendations in section 3.2 below.

Build on the UN's Comparative Advantage

Iraq is a country in transition. As indicated already more than once, tensions continue to exist between those who prefer a strong centralised state and those who want to see devolution of power to regional and provincial governments. To help defuse the tension and inform the debate the UN system is well placed. The UN has access to a wealth of experience in many countries of the world and is viewed by most people as an honest broker.[31] Both UNDP and ESCWA have extensive experience in advising on centre-periphery relations and decentralisation.

Through Phase II of the programme it should be possible to organise meetings and conferences as well as televised public debate that serve to illuminate the issues at hand. Policy debate should not be hidden behind closed doors but aired in pubic so that people in general can come to understand the issues that are at stake. The UN system already puts out a wealth of material aimed at informing opinion on issues of major public interest; there is no reason why this should not extend to issues of decentralisation and local governance.

In Iraq today there is need within Government for a better understanding of the workings of the international aid and development organisations, including but not limited to that of the United Nations system. The absence of such an understanding prevents many senior government officials from taking advantage of the aid that is available. Misapprehensions can also lead to frustration and disappointment. A communications campaign on how the United Nations and international aid system works, its strengths and limitations and how to deal with it, would yield benefits and cost savings on both sides. The point, made by a member of the HCAR, is mirrored by statements made by UN personnel, who report difficulties in finding interfaces with Iraqi Government authorities.

[31] This was generally true at least until recently. The situation in Iraq may be more complex however.

3.2 CHALLENGES

Managing Relationships at the All-of-Government Level

At the end of Phase I the I-PSM programme articulates with Government at the national policy level through the Higher Committee on Public Sector Reform and, in particular, through three of its key members. Notwithstanding that the future of the I-PSM programme beyond Phase I was predicated on the formulation of a National Policy on Public Sector Modernisation, none has so far been forthcoming. While it is possible that such a document may emerge sometime during a Phase II of the programme, in spite of the best intentions of senior level Government officials it may ultimately be impossible to secure the commitment of Government at Prime Ministerial level. Without such leadership lower tiers will find it impossible to proceed with serious reform initiatives. The hoped for overarching PSM Strategy may remain a bridge too far.

As other sections of this report make clear, this is not necessarily a catastrophic situation; some form of work can continue at sectoral level and new initiatives are possible further below. Yet the question remains: what further work should be undertaken in support of with the Higher Committee and, more generally, for the encouragement of a national strategy?

Members of the Higher Committee are conscious of the enormity of the task that confronts Government in bringing modernisation to the public sector. Specifically mentioned is the challenge of bringing about cultural change within government institutions, and the need for the separation of political from public service functions. Government ministers and below all need to understand what are the roles and responsibilities of government in a modern state. However, Higher Committee officials are not without confidence in the future; they point with satisfaction that in the context of the Prime Minister's 100 days challenge the Government cut the number of Ministries from 27 to 14.[32]

To prepare for meetings and support implementation of the Committee's recommendations a small secretariat is required, located with COMSEC or under the direction of the PMAC. The Secretary General of COMSEC opines that expert assistance will be indispensable. This must go beyond the drafting of outputs of the Committee's working groups to include the provision of advice based on in-depth knowledge of public sector management combined, preferably, with an understanding the political and social context of Iraq. Noting that one is unlikely to find such a combination of expertise in only one individual, UNDP is invited to consider the possibility of providing a mixed team of international and Iraqi advisors for a period of three to six months.[33] However, such an approach would make sense only in the case that a National Strategy was first approved.

Encouragement for the formulation of a National Strategy on Public Sector Modernisation remains both possible and highly desirable. Additional avenues and techniques are still to be tried. With the help of the Special Representative of the Secretary General an approach may be made to the Prime Minister, H.E. Nouri al-Maliki, reminding him his call for improved service delivery to people of Iraqi within 100 days and noting the need for a PSM approach to deliver on that objective. The Deputy Prime Minister for Services, H.E.Saleh Mutlaq, may also be approached and invited to lead the one-day conference on PSM proposed in section 3.1. Additionally, with the help of the United Nations Assistance Mission to Iraq (UNAMI) it may be possible to identify other individuals and channels of influence through which attention may be drawn to the importance of PSM for the future of Iraq and its people.

[32] There is some dispute as to whether action has followed the intention.
[33] From April 2012 SIDA intends to field a team of consultants to support aspects of COMSEC's work.

Further Advocacy for Women's Rights

Of all employed women in Iraq, 52 percent are employed in the public sector. Iraqi Public Sector Modernisation therefore represents a significant opportunity to improve the lot of women nationwide. Phase II of the programme should include a review of the sectoral road maps as well as the costing exercises, so as to ensure that they incorporate the principles and practice of gender mainstreaming.

Within government structures an examination of the proposed staffing structures will be necessary to provide the necessary number and distribution of skilled gender specialists. Where an insufficient number of gender-aware officials is available a training and operational support component will be required. Beyond this, within the UN system greater clarity on roles and responsibilities will be needed in support of the I-PSM programme and, specifically, how these are to be divided in practice – rather than in principal – between UN-WOMEN and UNDP.

Narrowing the Focus

By resolution of the United Nations General Assembly or by other means, the UN system has accumulated a wide range of issues in relation to which it is supposed to undertake research, provide advocacy and mobilize action. To name but a few, in the list appear gender, poverty, social exclusion, environment, corruption, public participation, integrity, aid coordination, rights based approaches, vulnerable groups, youth, capacity development, disability, and old age. The first six of these are written in to the I-PSM PRODOC. The problem is that to pass muster every project or programme, of whatever nature, is expected to incorporate a treatment of some of these issues. Failure to mention one or another may lead to disqualification.

The difficulty is that projects and programmes are usually designed to achieve certain specific objectives against which their management is evaluated. While the incorporation of cross-cutting issues may be intended to influence the way in which the objectives are pursued, rarely is their achievement in view. Too often the incorporation of cross cutting issues is a pretence adopted for internal political reasons, with no real additional outputs expected or delivered.

In light of this situation, for the I-PSM Phase II it is advisable that each agency limit the number of crosscutting issues that it decides to work on and, for each of those issues, formulate two or three independently verifiable performance indicators. Monitoring arrangements should also be set up to track performance in the same way that achievement of the primarily objectives is observed. It is suggested that the sole exception to this principal is gender, for which programme-wide indicators should be prescribed.[34]

Re-Embracing Study Tours

Phase I of the programme provided for study tours to be undertaken on a variety of PSM issues – to Canada, Italy, Morocco, and India. Most of those participants who have returned from the study tours have reported their experience as close to revelatory. At the same time, they are wise enough to recognise that Iraq cannot simply take foreign models and transplant them at home: informed dialogue and experimentation are needed. In relation to

[34] It has been pointed out by UN-WOMEN that gender issues have a strong correlation with poverty, social inclusion, combating corruption, public participation and rights based approaches. Gender may therefore be regarded as a key to other cross-cutting issues.

some of the participants there is evidence that such discussion is in fact in fact now underway.

The Phase I experience is instructive for the reason that the international aid community has, in recent years, adopted a jaundiced view of study tours and their benefits. Clearly, some are simply a waste of time and resources. However, with careful planning, control over the selection process, and good follow up, much can be achieved. In the long term success in public sector modernisation will depend on there being a large enough body of young professionals able to take modernisation forward. The same applied to community leaders, potential politicians who must steer public sector demand in informed and constructive directions.

For a Phase II of the programme it is proposed study tours and exposure programmes be organised for a carefully selected operational groups[35] of "opinion formers" that can be identified in various occupational categories, including senior civil servants, business and community leaders, and youth. The objective would be to showcase alternative government models while providing insights into different forms of democratic organisation and mechanisms for achieving good governance. Importantly, the returnees must be provided with the opportunity to debate what they have seen and learnt and to formulate action plans that they themselves manage as a team. The expected outcome would be ongoing debate concerning ways in which the people of Iraq may secure greater voice in fashioning their future society.

International exposure does not need to be limited to one off visits; more sustained impact could be achieved by developing working partnerships with civil society groups and institutions in other countries. The region is now active in reform efforts and considerable synergy could be achieved by linking like minded individuals, professional associations and institutions. This would be attractive to donors that seek to build on their achievements across the region. It is commonly stated that what Iraq needs is leadership with vision; fomenting such peaceful leadership is one way in which public sector modernisation may be achieved. For work specifically in the youth sector the Iraqi Ministry of Sports and Youth could be invited to take the lead.

Development of a Senior Executive Service

Given the ageing population of senior civil servants the need for succession planning has become apparent. The long period during which higher education system in Iraq has been unserviceable, combined with the neglect of staff training and development, has meant that few arrangements are in hand to deal with the shortage of skilled managers that will arise in five or so years time. The problem is more acute given that civil service numbers are now very much larger than needed and that a rationally based and informed programme of retrenchment and re-training will almost certainly be required.

A programme of management and leadership development for bright and energetic young civil service professionals is urgently needed. In this context the planning of a Senior Executive Service is regarded by top Government officials as extremely important. For its own personnel the Ministry of Planning is understood to have embarked on a training programme, including sending candidates for internships to Malaysia and India, but the initiative appears to be an exception.

[35] "Operational groups" means those who work together in operational systems or networks (the participants often being drawn from related hierarchical levels) and who already do or who have the potential for working together to achieve some common end.

The PRODOC provided for work to be undertaken on planning a Senior Executive Service and this remains a responsibility of the Phase II. Moving forward on this possibility however will require confirmation of the Government's wishes.

Adopting Free Market Principles

To manage the technical work required in each sector most of the UN agencies involved in Phase I engaged the services of consulting firms. UNICEF with UN-HABITAT engaged a Jordanian company Engicon, working in collaboration with Studio Galli Ingegneria, an Italian company specialising in the water sector. For its work in the education sector UNICEF used Geopolicity. For its work on national statistics UNFPA engaged the services of ICON Institute. WHO, as a final measure, called on the services of Oxford Policy Management. In other cases individual consultants or additional staffers were taken on.

Given that most of the UN agencies involved did not have available in-house the type and /or number of technical specialist necessary to carry out the work at hand, it is fair to enquire what may have been the value added by working though so many UN agencies. Would it have been more cost-effective for UNDP to contract directly with one or several companies to carry out the work outlined for Phase I? Another way of asking the same question is to enquire whether the cascading of responsibility did or did not enhance the quality of the products produced?

As may be expected, the UN agencies themselves believe that they contributed something valuable. One put it bluntly and claimed that their contribution was "Our name." Whatever hubris or modesty may be involved, it seems likely that the sectoral knowledge and experience embedded in each agency did in some way contribute to the product. International UN personnel have long experience in dealing with member country governments and are probably better placed to manage the interface with their civil servants than say, for example, the average consulting company that is motivated by purely commercial considerations.

In terms of content however, the value added by the individual UN agencies remains elusive. Long-term institutional hand holding and the provision of intellectual and moral support to "change agents" within government constitutes a kind of further education and one that, where successful, helps to develop a wider view of the problems at hand. Change may also ensue, but outcomes are not easily tied to inputs. What can be observed is that those agencies that used several individual consultants (e.g. WHO) or that relied on personnel locally engaged (UNESCO) produced reports that did not correspond with international best practice. In such cases, not only was the presentation below standard but the weight of sectoral detail quite overwhelmed the public sector modernisation issues that the work was intended to address.

Although UN agencies are not accustomed to compete for business with the private sector there is in fact no reason why they should not be invited to do so. Featherbedding dysfunctional UN agencies (or perhaps certain country offices of those agencies) is not a useful application of public funds. Consortia approaches are possible and, where the product or service requested demands skills and experience that are not embedded in a particular agency, there is no reason why the lead should not be taken by a private sector entity supported as necessary by the UN agency. Given the security restrictions and other limitations from which the United Nations system suffers, a more flexible approach to contracting is likely to result in more service delivery that is more appropriate, more timely and, ultimately, better value for money. The approach may be considered for a Phase II of the programme.

3.3 CHECK LIST OF RECOMMENDATIONS

#	Recommendation	Page & :Para	Agreed / Not Agreed	Action by
	DESIGN OF PHASE II			
1	A new simplified PRODOC to be formulated for Phase II, drawing on the original, plus the evaluation results, plus proceedings of the I-PSM retreat 9-10 November	9:4		
2	Programme outcomes to be re-phrased and provided with independently verifiable performance indicators	6:6		
3	Number of cross-cutting issues to be limited and provided with tightly drawn performance indicators	43:5		
4	Work on gender to be included in all sectoral activities, with outputs prescribed at program level	43:1		
5	Phase II to include e-Governance, work on national statistics and on Development Management System	38:1		
6	Risks to the programme to be carefully identified and contingency plans formulated to limit damage arising from political and security factors	26: 5 14:2		
7	Subject to confirmation of Government wishes, further work to be undertaken on a Senior Executive Service	44:4 – 45:1		
	POLITICAL LEVEL			
8	UNDP to engage the assistance of the SRSG and UNAMI in communicating with GoI political levels	18:2 42:5		
9	Subject to approval of a national strategy on PAM, provide support to the HCAR	42:4		
10	Translate synthesis reports into Arabic and circulate	37:4		
11	Organise a 1-day high-level conference for Ministers to showcase PSM and the I-PSM programme	37:4		
12	Produce reduced illustrated simple documentation for conference participants	37:4		
13	UN personnel to be selected and trained in making effective presentations	37:4		
14	Eschew “downsizing of civil service” and “combating corruption” as themes for Phase II action	37:5		
	SECTORAL LEVEL			
15	Sector ministries to be invited to select immediately implantable aspects of Road Maps	38:3		
16	UN implementing partners to propose Phase II work plans based on selections by sector ministries	38:4		
17	Action plans to take cognisance of urban planning considerations	39:4		
18	Review the sectoral Road Maps and Costings to ensure incorporation of gender mainstreaming	43:1		
19	Consider providing assistance to increase the number of active gender specialists in Government	43:2		
20	Launch an information campaign to explain to GoI officials the role of the UN and international agencies	41:3		

	SUB-NATIONAL LEVEL			
21	Phase II to incorporate governance development work at sub-national levels in cooperation with the LADP	38:5		
22	Focus on city governance. Use this to ensure that different streams of sectoral work come together to provide a better total environment for citizens	39:3-4		
	PUBLIC OPINION FORMATION			
23	Stimulate and inform debate on decentralisation issues, drawing on the UN's comparative advantages	41:1-3		
24	Study tours be used as a significant tool for opinion formation appropriate to Iraq's current situation	43:6 – 44:3		
25	Focus efforts on building the understanding and capability of young community leaders	40:1-4 44:1		
26	Build on existing experience of ESCWA, UNESCO and UNFPA in promoting civic values	40:2		
27	Foment or reinforce a United Nations Association for Iraq	40:4		
	PROGRAMME MANAGEMENT			
28	The new PRODOC to be used as the basis of a call for proposals from UN agencies (with others as may be considered necessary)	9:7		
29	Make release of Phase II resources subject to the delivery of specific observable outputs	31: 1		
30	UN agencies to consider forming consortia with private sector companies to obtain greater flexibility in dealing with security issues	45:6 36:2		
31	A Programme Manger to be appointed reporting to the Office of the UN Resident Coordinator	9:5		
32	The Programme Manager to be financed from the Phase II budget	9:5		
33	The Programme Manager to ensure adequate programme monitoring	9:5		
34	PSR specialists to be engaged to support agencies with the PSR aspects of future work	9:6		
35	Proposals submitted to be evaluated by a Selection Committee chaired by the UN Resident Coordinator	9:8		
36	Proposers in receipt of contract offers to negotiate awards for costs and overhead based on evidence supported estimates	9:8		
	PERSONNEL ISSUES			
37	Key personnel for the management of the Phase II to be engaged as contractors, not UN line staffers	6:5		
38	Flexibility be adopted in contract negotiations so as to provide incentives for suitable candidates	32:4		
39	Be pro-active for the reform of HR procedures in unstable environments	32:3 – 33:3		
	OTHER INTERNAL UN ISSUES			
40	Divide responsibilities for gender work in I-PSM programme between relevant agencies	43:2		

The Need for Transitional Arrangements

In principal, a further no-cost extension for Phase I of the programme has been agreed to 31 March 2012. Within this period it will be necessary for the UN system of agencies in Iraq to decide on the shape and content of the Phase II, as well as the detailed arrangements that will be put in place to manage it.

Proceeding on the basis of the idea that business as usual is acceptable should not be entertained. Not only would this forgo the opportunity to do really good work in support of long-term public sector development in Iraq, acting as though existing arrangements will deliver what is needed is likely to bring continued discredit on the UN system. The negative consequences to donor relations flowing from the way the I-PSM programme Phase I was handled must not be underestimated.

UNDP and the Office of the UN Resident Coordinator for Iraq face four urgent challenges:

1. How to get a Phase II programme designed that builds on past successes, lessons learnt, and opportunities to hand;

2. How to apportion resources and responsibilities between the UN agencies and other parties that are desirous of making a contribution to the programme;

3. How to managing the relationship between the participating organisations and a programme coordination office; and

4. How – once more – to fill the personnel gap arising from resignation of the existing Programme Coordinator.

In relation to the second and third of these issues relevant proposals appear at the tail end of the Executive Summary as well as being included in the above check list of recommendations. Almost identical recommendations are contained in a separate independent report by the UNDP Advisor, Dr Bob Boase, dated 24 November 2011.[36]

Whatever decisions are made concerning the more strategic issues, arrangements must be put in hand to ensure that the necessary documentation follows. Considerable time may also be required in negotiating with the individual UN agencies that wish to be involved in the Phase II. To cater to these needs and in view of the imminent departure of the current Programme Coordinator, further *ad hoc* staffing arrangements will be required. A three month extension to the Phase I may appear to give a generous amount of time in which to make arrangements, but the complexity of the tasks at hand will soon belie any such assumption.

Although the I-PSM programme may contribute only a small percentage of the total budget available to each participating UN agency, for the most part those funds that do flow from the programme are used to support personnel. If personnel are to be let go it is important that they receive as much notice as possible. Even where contracts expire without notice it does not make sense to allow valued personnel to be discharged if their services are going to be needed for a Phase II of the programme. The project document provides for a financial bridging arrangement, but availing of this depends on rapid action well before end December 2011.

[36] *Approaches to Developing the Project Document for IPSM2*, Bob Boase, IPSM Advisor, Amman, November 24, 2011.

ANNEX 1: SUMMARY MATRIX OF KEY FINDINGS FOR I-PSM PHASE I [37]

Issue: Common findings	Education: MoE /MoHESR	Health	WATSAN	Statistics	e-Governance
SERVICE DELIVERY MODEL					
Policy There are no policies across sectors. The National Development Plan is used as framework. Regional Development Plan in KRG still under discussion. The government uses the budget as a vehicle for expressing its public policy priorities and choices in financial terms.	There is no comprehensive education policy, but policy provisions have been included in the National Education Strategy (NES). The evolving NES will provide strong evidence base for investment prioritization. The Ministry of Education (MoE) holds the primary mandate for providing pre-school, primary and secondary education. The Federal Ministry develops policy together with the Education Consultative Commission. The Ministry of Higher Education and Scientific Research (MoHESR) has the primary mandate for higher education	No national health policy per se. It is considered primarily a central function. No health education policy.	No WATSAN policy. Urgent need to establish a High-Level Commission to provide concise direction on the WATSAN sector. The KRG has started a process of policy formulation.	No statistics policy. However, at a meeting of the Central Statistics Office (CSO), Kurdistan Regional Statistics Office (KRSO), line ministries and the Higher Judicial Council, agreement was reached on a Code of Practice Policy as well as a Dissemination Policy.	Government Interoperability Framework (GIF) is being developed which will be set at end of 2011. This covers the following issues: Technical Semantic Organization Legal The technical and semantic issues will be completed at the end of 2011. The GIF will be developing service standards.
Enabling legislation Revised legislative framework is essential to clarify mandates, rationalize functions, rules, regulations and procedures. Many sectors use the rights provisions in the Constitution to guide the review process of legislation.	Education laws need to be updated and harmonized. The draft education law needs further amendment to reflect the results of the ongoing functional review exercise.	Laws are old, need to be harmonized and updated to reflect the findings of the functional review. There is a need for governance and a regulatory framework for health technologies and pharmaceuticals.	No legal framework. There is a need for an Omnibus Law that sets out the over all framework for the WATSAN sector.	Law needs to be updated. Draft law prepared under I-PSM I.	A package of legislation has been developed, and this is waiting to be considered by Parliament.

[37] Table courtesy of Ms Rima das Pradhan-Blach.

Issue: Common findings	Education: MoE /MoHESR	Health	WATSAN	Statistics	e-Governance
Sector strategies: Objectives Outcomes and Outputs There are no sector strategies in place, but de facto, central government is delivering services within the old centralized system whilst sub-national administration systems are pushing for decentralized decision-making. Need evidence-based decision-making processes for better sector strategy development which takes into consideration both horizontal and vertical issues. Most sectors refer to the Millennium Development Goals (MDGs) and the National Development Plan to guide sector planning. The Poverty Reduction Strategy also sets out sector strategies to address the needs of the most vulnerable in the pilot sectors.	National Education Strategy which sets out sector strategies, outcomes and outputs are set out is being finalized, but is not costed. The Right to Education for all Iraqis is enshrined in the Constitution, but the current education system does not guarantee this right due to service delivery weaknesses and fiscal constraints. School maps do not rely on strategic planning; therefore do not reflect needs on the ground.	Strategic plans exist, but are not based on evidence or costed. Also do not have the capacity to build long-term scenarios, and do not often include other stakeholders. The vision for health sector focuses on equity, social justice and solidarity, protected by the Constitution through a primary health care system. While there is a Health Economics Department, there is limited economic analysis of health policies and strategies.	No WATSAN strategy.	No statistics strategy, but at the end of I-PSM I a Statistics System Modernization (including national and sub-national systems) Plan was developed and endorsed by the MAC.	The GOI with the support of UNDP had an e-Governance Action Plan (2010 to 2011), which has been implemented. The e-Government Interoperability Framework will be launched in December 2011. A new e-Governance Strategy has been developed for five years, with annual review. This includes national, ministerial and local-government.
Existing Service Delivery Arrangements The central government does not set policy or plans in a participatory manner. Oversight of service delivery is highly centralized, however, the provincial offices of the line ministries play an oversight role. The district or sub-district offices are at the heart of the day-to-day operations and are primarily involved in the execution of services. There is no regulatory framework to license or monitor the private sectors role in service delivery.	Provision of quality education remains a challenge that prevents Iraq from fully achieving MDG and EFA Goals. National education targets are also set out in the NDP. The MoE provides services through schools and non-formal training through training centers. The MoHESR provides services through Universities and Vocational Education Centers. The annual plan for	Hospital-based, capital-intensive service delivery model. Outreach services are minimal. The Basic Health Services Packages developed by the MoH in 2010 envisions community-based service provision, but is yet to be implemented. Primary Health Care through a network of PHC centers and sub-centers. Service delivery of minimal quality (better in public vs	Sector in crisis. Only 24% of the population covered by operational sewerage and only 45% wastewater collected and treated.	Statistical system not aligned with new governance structure envisioned in the Constitution. Poor coordination and coherence with CSO and statistics departments in line ministries.	Launch of e-Governance One Stop Portal on July 2011. Establishment of Community Service Centers, but need to take into consideration the needs of illiterate (largely women and vulnerable populations) and those in non-urban areas.

	recurrent budgets is submitted by the MoE to the MoF, with some input from the provincial line ministries. The MoHESR has a similar process, however, the universities might have more involvement in budget requests. More recently, planning for the capital budget is carried out in conjunction with the Governorate Council, with the provincial MoE and the MoP. There are delivery gaps e.g. special needs education and other vulnerable groups. The SoE: General Company for the Production of Education Supplies is an SOE that provides educational supplies.	private service providers). The SoE: Kimadia provides pharmaceuticals and medical technology.			
Administrative framework: Roles and responsibilities of the different tiers of government • There is no clarity about decentralization, delegation, and devolution. Policy, planning and budgeting remain highly centralized, except in the Kurdistan Region of Iraq. • There are excessive decision-making units for service delivery (e.g. 100 decision-making units in Education), undermining clarity of roles, coordination. Administrative restructuring/rationalization is needed. • There is a need for a decentralized fiscal/organizational framework with clear accountability mechanisms and definition of roles of the central ministries, governorates, and lower levels of administration.					
State Owned Enterprises Resolution No. 314/2010 of the Council of Ministers for restructuring State Owned Enterprises is an important signal towards reform of the public sector.	The SoEs in the education sector and the health sectors need to be reexamined and the role and functions more clearly defined.	The role of the SoE in the health sector, Kimadia has been evolving. Its mandate needs to be reexamined.	N/A	N/A	N/A

	In education, General Company for the Production of Educational Supplies, likely requires restructuring.				
Overlapping mandates Most of the overlap is in the area of budget formulation and budget execution horizontally as well as vertically. See below on Sector costing. In the pilot sectors, there is overlap between the MoE and MoHESR in terms of training and vocational education and training. The statistics departments in the line agencies do not coordinate with the Central Statistics Office for planning purposes.	The Ministry of Labor and Social Affairs manages non-formal training and the needs for people with disabilities together with the MoE. Coordination is weak. MoHESR also has over-lapping mandates with other agencies: MoH - health education; (i) Ministry of Agriculture – Veterinarians Ministry of Industry; (ii) Science; and (iii) Technology – Engineers.	The MoHESR at the center is also involved in health education.	Mandate of the MoMPW is affected by 11 other Federal ministries including the Ministry of Environment, Ministry of Health, Ministry of Agriculture, Ministry of Electricity, Ministry of Water Resources etc.	The sectors face constraints due to inadequate statistical data and the capacity to analyze the data for evidence-based planning and resource allocation. Lack of unified classification and coding system.	
Issue: Common findings	**Education: MoE /MoHESR**	**Health**	**WATSAN**	**Statistics**	**e-Governance**
Role of the private sector Minimal in most sectors, but needs development and regulatory oversight. Legislation and regulatory framework is urgently needed.	The role of the private sector is small, but growing in primary and secondary education. Outside of the KRG, there is an estimated 360 private primary and secondary schools in Iraq. The quality of education is considered generally higher in private schools The private sector can potentially further	Private sector providing approximately 22% of health services. Number of private pharmacies are growing (6, 000 – 10, 000), but are not well regulated. “Dual practice” makes staff focused on curative care. Blurred boundaries between public and private sectors.	Minimal. But the proposed modernization strategy is the “Corporatization” Model” which requires a regulatory framework as well as a mechanism to monitor service delivery.	No	Not clear till now.

	involvement can have a positive impact at different levels (e.g. matching labor market needs) in the case of higher education and vocational education. There is a need for private universities and vocational training institutes which are closely linked to the labor market needs.				

Public participation Currently public participation is progressing in relation to defining service delivery needs. This is particularly through the Provincial Development Planning process. However, this is still new.	Empowering educational institutions through school-based management and increased autonomy of higher educations will result in increased quality of education and promote social accountability. Perception surveys have been conducted which highlighted dissatisfaction with quality and governance in schools in particular.	Greater participation of patients and communities. One of the aspects of participation can be financial participation in service delivery.	Low public participation.	The CSO and the KRSO regularly implement surveys such as the livelihood and household survey.	Many Community Service Centers are being established where e-services could be made available.
Cross sectoral and intra-sectoral coordination issues All the sector studies identified the need to clarify the role of the MoF and MoP in terms of budget planning and execution and call for an integrated budget process. The planning process, traditionally a highly centralized process, is usually split between 4 year planning and annual planning. Medium term planning is conducted in the absence of costed national programs and a Medium Term Expenditure Framework resources are unknown and budget ceilings are not set. The sector plans are based on what is affordable. Multi-year perspectives are only weakly applied.	See above: Administrative Framework Overlapping mandates. The MoE has implemented an Education Management Information System (e-MIS) to managed educational resources. However, the CSO continues to survey education information as the required information is not available from E-MIS. The Prime Minister's Office is also involved in determining delivery of educational services. The MoHESR also has coordination issues with the national higher education institutions.	The private sector is comparatively weak, and there is no regulation for capturing health data in relation to the health information system. Most data is collected manually (private and public service providers). The DoH and Vital Statistics in the MoH has a self-designed system of data collection for vital statistics. However, though, WHO has provided the international coding standard, more capacity building is necessary.	There are 11 ministries involved in the management of water and sanitation with over-lapping mandates. See above: Overlapping mandates.	The statistics departments in line ministries do not have a good coordination mechanism with the CSO or KRSO. Statistics Coding and Classification needs to be standardized. In terms of civil registration and vital statistics, better coordination is needed between the MoH and the MoI who issues some of the key legal identification papers.	e-Governance Steering Committee is chaired by the Minister of Science and Technology, with representation from all the ministries and the judiciary. Knowledge management will be run by the Steering Committee

Delivery gaps and inequalities At the center, delivery gaps and inequalities vary by province. Generally, there are delivery gaps are greatest outside of Baghdad, and in rural areas. Based on the studies, the situation with the WATSAN sector is by far the worst in comparison to other sectors. Access to basic services for vulnerable populations is particularly problematic. One important factor that has an impact on access to services is the lack of legal identification for being able to access education for example.	Available statistical data demonstrate that equal of opportunity in education is not ensured. Special needs education for the most vulnerable populations could be strengthened. See below for gender. There is an urgent need to upgrade the skills of teachers in an institutionalized manner at every level of education, in conjunction with a need to update curriculum, and education technologies. There is a low rate of transition from secondary education to technical education. This drops further in higher education (including post-graduate education).	Currently no community health workers/outreach activities. Inequitable distribution of PHCs. Secondary health care provided by specialized doctors and district hospitals only covers about 40% of what the community needs. Inadequate number and quality of nurses and family physicians.	Only 24% of the population covered by operational sewerage and only 45% wastewater collected and treated. Many water and wastewater facilities are out of order and out of service. At the center, there is poor access to services outside of Baghdad.	Before 2003, only selected statistics were disseminated. There is an urgent need to build confidence regarding data confidentiality and reliability and to make it accessible to the public.	The e-Governance Strategy aims to improve delivery gaps and inequalities through Community Service Centers. In addition, one of the four Road Map that has been developed is the e-Road Map for Civil Registration.
Gender and social exclusion 1 in 10 households are women-headed.38 Gender needs to be integrated into all aspects of public sector modernization. Particular attention to gender differentiated issues from the service provider end and the consumer end needs to be further developed. The goals set out in the National Women's Strategy need to be fully integrated.	Gender gaps persist, particularly in rural areas, and widen progressively from lower to higher levels of education. The National Education Strategy and the Poverty Reduction Strategy (PRS) identify the need to improve equity in the education sector and ensure inclusive education. The rate of enrolment of women in technical education is low as most technical education is considered to be culturally inappropriate for women.	Lack of female providers. Lack of strategies to address the needs of women, particularly those who have problems with access to legal registration papers. Poverty Reduction Strategy has important goals in relation to addressing the needs of the most vulnerable in Iraq.	Gender considerations in the PRS related to access to water and sanitation services and MDGs.	While gender disaggregated data has been collected, new data and analytical tools for gender integration into decision-making is necessary. In this respect, it is recommended that the forthcoming legislation on official statistics incorporate gender as a key statistic produced.	Gender needs to be integrated into the e-Education, e-Health and E-Municipalities Road Maps, as well as the new e-Governance Strategy. This is particularly important when it comes to the issue of illiteracy, lack of social identification papers, and physical access for women and other vulnerable populations.

38 Ministry of Planning, Iraq and ESCWA. (2009). Women and Men in Iraq: Issues and Statistics.

Monitoring and Evaluation Service delivery standards and quality assurance systems need to be developed for all sectors to monitor and evaluate the sector performance, efficiency and effectiveness. For top-down monitoring, the Constitution, sectoral laws, the Provincial Powers Act, Procurement, Audit and the Financial Management Laws, annual budget laws as well as secondary legislation are the foundation for the top down regulatory mechanism. The CoR can play an important role in this process. There is a lack of monitoring systems at sector and local levels. Need to separate service delivery and oversight functions. There is also an internal audit division which monitors the performance of the sectoral ministry.	In the case of primary, basic and secondary education, there is already a Parent Teacher Association Law which sets the foundation for bottom-up monitoring. School Based Management Approaches, as well as the enhanced role of the Provincial Council and District Councils are important aspects to the emerging bottom-up accountability. Systems of performance management exist, but need strengthening. The work between Supervisors and School Inspectors and the design of in-service courts at the Institute for Training and Educational Development is not clear. Improvements in teacher training and monitoring results by the DG for Assessment and Examination, alongside Monitoring and Improvements in teacher training will see gains in quality over the medium term.	The MoH sets standards for quality assurance of health service delivery, but not adequately enforcement. Monitoring mechanisms to manage the private-public mix in service delivery are missing.	Poor monitoring of water and wastewater service delivery. Low enforcement of cost recovery.	The standards set out in the draft legislation, as well the policy on coding and dissemination will have to be monitored.	In preparation for piloting sectoral Road Maps, the Steering Committee has prepared an e-readiness survey. This will form the baseline assessment going forward. Indicators have been established in the strategic planning process currently underway.
e-Governance capacity Most sector agencies currently have poor ICT capacity, however, they have been involved in the e-Governance Project to develop a unified e-Governance Strategy and sector specific Road Maps	See e-Education Road Map.	See e-Health Road Map.	See e-Municipalities Road Map.	Lack of computerized registers. Old fashioned mechanisms for production and dissemination. Lack of documentation and institutionalization.	

SECTOR COSTING: MEDIUM TERM EXPENDITURE FRAMEWORK				
Public Financial Management • Policy-based budgeting is emerging, but institutional capacities are weak to link policy, planning and budgeting. No fiscal or expenditure framework, however UNICEF developed one for MoE. No budget ceiling within which to enforce prioritization. • Sector costing is impeded by increased fiscal decentralization, uncertainty in budgetary resources, lack of integration between the recurrent and the capital budgets, and lack of experience in establishing both Government-wide and sector Medium Term Expenditure Frameworks (MTEFs). • The GOI Public Financial Management Action Plan needs to be integrated across all sectors. • Policy-based budgeting is emerging, but institutional capacities are weak to link policy, planning and budgeting. No fiscal or expenditure framework, however UNICEF developed one for MoE. Salaries take up a disproportionate amount of the budget at the expense of a capital or investment budget in all sectors. Costing of sectors is impeded by increased fiscal decentralization, uncertainty in budgetary resources, a lack of integration between operating and capital budgets, lack of Medium Term Fiscal Frameworks and Medium Term Expenditure Frameworks. • Centralized and unclear procurement systems have an impact on budget execution. • Gender Responsive Budgeting strategies to be employed to ensure gender differentiated policy, planning and resource allocation.				
Service Delivery Benchmarks and Cost service delivery benchmarks Budget allocations and actual spending for the three sectors have been steadily rising since 2005. Lack of data across all sectors has an impact on planning, setting standards, and monitoring service delivery. The generalized service delivery arrangements as well as decision-making units are mapped out in Table 4.	Between 2005 – 2007, the total allocation for education rose from 4.5% to 9.9% which remains low compared to other middle income countries. Salaries as a % of 2011 budget for MoE and MoHESR is 69%. This is partly to do with salary increases for teachers Education expenditure as % Government Expenditure is projected to be 14% in 2014. This is largely in line with international standards. Between 2005 and 2009, government-financed education increased by over 275% from US$61 to US$229 per capita.	Budget allocation for health workforce is relatively low compared to rest of the region at 47 – 50%. 80% of financial resources from government. 30% of MoH budget is allocated towards health technology.	No financial information was provided to the study team. However, based on budget information, sector costing for 2013 – 2022 showed that based on the existing service delivery model, MoMPW, Municipality of Baghdad, and KRG MoMT would be running significant budget deficiencies.	The e-Governance Road Map aims to cost the sectoral e-Road Maps. These will be included in ministerial budget submissions for 2012.

Vertical and horizontal equity Top-down oversight including the Council of Representatives CoR), the Inspector Generals, the Commission of Integrity and the Board of Supreme Audit will need to include checks on horizontal and vertical service delivery imbalances.	There is some progress in increasing role of Provincial Councils and with the evolving role of Parent Teacher Associations. However, with the lack of adequate educational data, it is difficult to ensure vertical and horizontal equity. In the MoHESR, the management structure is flat, and the Minister has a more direct role in decision-making of higher education institutions. However, there have been recent decisions to increase institutional autonomy.		Financial challenges due to fragmented services, under-funded departments and low cost recovery. Insufficient tariffs.	Data collection is an important tool for resource planning and monitoring.	
FUNCTIONAL REVIEW: PRESCRIPTIVE					
Policy Mandate and Framework Establish and policy and planning unit attached to the Minister's Office	Establish a MAC Working Group to identify and formally agree which functions are to be decentralized to provinces, schools ad communities. Sector policy priorities need to be reviewed with a greater focus on providing quality education.	Planning should look at how to maximize opportunities for complementing the role of public and private sector health providers. There is a need for a Strategic Plan up to 2020. Need to finalize the National Medicines Policy. Need for the development of a strong GIS system and mapping to map all health services.	Create "Blue Ribbon Commission" to establish policy New regulatory guidelines for utility oversight, monitoring, enforcement, service standards and efficiency incentives. Need new WATSAN Omnibus Law. KRG is working on a WATSAN policy.	See below re restructuring. Get agreement on new draft legislation for statistics system modernization. Have agreement on Code of Practice. Agreement and implementation of statistics classification and coding. There is also a need for a policy for civil registration system on clear retention and disposition of all documents.	The MAC aims to complete the e-GIF by 2011 which will be tested in 2012.

Departmental, sub-national structures Establish a MAC Working Group to rationalize administrative units of the Provincial Directorate Generals to group common functions. Identify and formalize a shared service delivery model between the center and provinces based on current fiscal framework.	Establish a MAC Working Group to rationalize administrative units of the Provincial Directorate Generals to group common functions. Identify and formalize a shared service delivery model between the center and provinces based on current fiscal framework.	Adopt micro-planning and managing using the WHO District Team Problem Solving technique. District-level management including hospitals and primary care services.		The statistics system needs to be adjusted to be in line with the progressive decentralization.	The e-Governance Strategy for 2012 aims to involve sub-national government and e-service delivery.
Pay and grade structures and occupational structures Most studies identified an urgent need for right sizing. A bloated support and mid-level staff complement. Each of the sector studies have identified a range of duplication or multiplicity of functions that could be streamlined aimed to allow for efficient service delivery as well as room for corruption. Institutionalized capacity building is needed (pre-service and in-service) on sector-specific skills which need to be modernized as well as broader public administration skills. Need for civil service reform, including modern human resource management practices. Need to provide incentives-based performance framework. A consolidated pay-roll system linked to Sectoral Management Information Systems would improve quality in delivery of services.	The government has invested in teachers and increasing the salary of teachers. There is a need for a review of staffing needs and competencies for right-sizing. Need to reorganize training opportunities for all staff categories. Modernization of training for in-service and pre-service teachers – many teachers are new and inexperienced. More resources needed for new methods of teaching and educational techniques. In higher education, there is a set of laws governing the appointment of officials and university leaders – however, these positions are subject to quotas and politicization.	Need to develop sector-driven plan for human resource development for both generalist and specialist skills. Geographic and skill mix imbalances, especially female providers.	The sector is over-staffed, with limited capacity. Need to build capacity in non-engineering skills, particularly public administration management skills.	Strong capacity and skills at the Central Statistics Office (CSO) and the Kurdistan Regional Statistics Office, however needs updating. Strong center and weak remote components for the National Statistical System (NSS)	e-Governance Action Plan involves human capacity development strategy. The MAC will be putting forward a budget estimate for investment in human capacity.

Budget Allocation A dedicated budget function (formulation and execution) is required. For more discussion see section on sector costing. Additionally, Urgent need to improve statistical date on sectors to strengthen sector costing needs to increase focus on access, quality and outcomes. Formally adopt a bottom-up Medium Term Expenditure framework. Develop provincial investment and procurement plans.	Urgent need to improve statistical date on education to strengthen sector costing needs to increase focus on education access, quality and outcomes. A dedicated budget function (formulation and execution) is required. Plan and implement a nation-wide mapping and investment plan	Urgent need for more investment in both recurrent and capital budget based on differential needs.	Tariff Reforms, including better enforcement. Create Asset Management Strategies Financial strategies for investment efficiencies, tariff reform, private sector investment and alternative funding sources	Not discussed.	A budget estimation has been made for the implementation of the E-Governance Strategy at the national level. At the ministerial and local governance levels, budget estimations will be made and advocated to the cabinted.
Service Delivery Model Integrate gender at every stage: awareness raising, policies, planning, budgeting, decision-making and monitoring. Strengthen regulatory oversight and standards enforcement of the private sector. Incentives are needed for private sector development.	Pilot School Based Management (SBM) approach and Autonomous Institution for Higher Education. Education for special needs requires more systematic innovation, planning, budgeting and implementation. Establish a National Committee for Curriculum Research and Development. Assess fee structures for all paid education services.	Clear policy and procedure regarding licensing and accreditation of doctors, nurses etc. Implement Basic Health Services Package. Review work of Kimadia and regulatory role for private sector pharmacies. Regulation of public and private sector including clinics, laboratories blood banks, etc. Strengthen accreditation of service providers for quality assurance.	Develop Operational effectiveness strategies: water demand management, energy management, water quality management and environmental management. Develop public participation strategies including customer service, public relations, public awareness and public-private partnerships Capacity building strategies on both sector specific strategies as well as broader public administrative strategies	Increase capacity across the board on collection, analysis and use of statistical data e.g. on demographic estimation. The statistics system in particular, including the Iraqi civil registration and vital statistics system needs significant investment in both infrastructure and capacity building given its centrality to policy development, planning and resource allocation across all sectors.	The E-Governance team have established a portal. Community Service Centers will be established to improve access to services.

Service Delivery Model…contd…	Similarly in vocational and higher education, stakeholder participation is essential to improve quality service delivery.	prove regulation functions of the MoH for public as well as private sector, including pharmacies.			
Grouped, common and mal-aligned functions Clarify existing oversight functions of the Provincial Council including shared responsibilities with MoF and MoP.	MoE Federal-level: 36 functional restructuring options including grouping common functions (budgeting, planning, oversight. MoE KRG: 23 recommendations including establishment of Deputy Ministers, and SBM approach.	Clarify roles and responsibilities in terms of civil registration with the CSO and KRSO. Need to clarify coordination and cooperation with MoHESR in terms of in-service and pre-service health education quality and standards.	Need to clarify mandates in the sector of the 11 ministries. See findings of service delivery review findings on mandates.	Need to clarify and develop coordination mechanisms with statistical departments in line ministries. In addition, the DGs of Health and Department of Interior should prepare a MoU for cooperation in matters relating to civil registration and vital statistics.	N/A
Restructuring options The sectors recommendations are generally aimed at: Right sizing to increase efficiency and grouping common functions. Adjusting to the evolving fiscal and administrative framework. Moving service delivery decision-making to the point of service delivery and the district-levels. Increased participation. Regulating the role of private sector participation.	MoE Provincial level: 7 restructuring options including PTA guidelines and SBM. MoE District level: 2 major recommendations – for bottom up reforms. Restructure SoEs. A Regional Affairs function is required. Various planning, execution and monitoring groups can be grouped.	Three options for Family Medicine Organizations: Public funding and ownership Public funding and private ownership Private (including insurance) funding and private ownership.	Corporatization Model: publicly owned, privately managed. Urgent need for a new administrative structure that defines responsibilities for water supply and wastewater operations at the national, regional and sub-district levels.	The existing statistical system needs to be restructure to fit new governance decentralization governance framework.	At this stage, Steering Committee plays a key role in coordination of the e-governance Road Maps at national, provincial and local levels.

Annex 2

Iraq Public Sector Modernisation Programme
Phase I: 1 April 2010 – 31 December 2011

FINANCIAL SUMMARY

To 31 October 2011

Agency	Budgeted	Committed	Disbursed
UNDP (lead agency)	5,000,000	4,138.721	3,026,789
		82.77%	60.53%
WHO	2,000,000	1,673,786	1,454,801
		83.69%	72.74%
UNICEF	2,600,000	2,544,192	2,164,584
		79.85%	85.08%
UN-HABITAT	2,000,000	1,776,655	1,366,036
		88.83%	68.30%
UNESCO	2,000,000	1,667,559	1,288,121
		83.38%	64.40%
Total Planned Budget – Phase I	**13,600,000**	**11,800,913**	**9,300,331**
		86.77%	68.38%[39]
Commitments[40] by UNDP for		4,456,416	
UNFPA	883,575		None reported
UN-ESCWA	1,385,663		480,624
UNIFEM	757,560		None reported
For e-Governance[41]			approx 300

[39] Funds not used by 31 March 2012 will be passed over to Phase II of the programme.
[40] Commitments to 30 September 2010
[41] Work on e-Governance was included in the no-cost extension #1 granted June 2011.

Annex 3

A Note on USAID's Program

22 November 2011

In so far as they concern public sector modernisation, the activities of USAID in Iraq fall under a four-year programme, June 2011- May 2015, called Tarabot.[42] Activities fall under three headings: Administrative Decentralisation, Civil Service Reform, and National Policy Management. Under the three heading combined, currently there are in Iraq some 120 consultants deployed under a contract with Management Systems International (MSI).

By far the largest contingent of consultants is assigned to work at provincial level with Provincial Governors' Offices and the provincial offices of line ministries.[43]

Work on civil service reform, based in Baghdad, concerns mainly the drafting of Civil Service Law and the preparation of a structure and staffing arrangements for a Civil Service Commission. Work is also proceeding in the development of a human resources management system for the line ministries. A working group addresses, among other things, the possibility of establishing a Senior Executive Service.

USAID-financed work on national policy management includes work with the Office of the Prime Minister on setting up a Policy Development Office; work with line ministries in order to assist them in developing sectoral policies that are in line with national priorities; and work – again with the Office of the Prime Minister – to determine how the legal framework for Iraq can be simplified.[44]

USAID denies the common perception that its work runs independently of Government. The Agency holds weekly meetings with the Prime Minister's Advisory Office and, through those meetings, is thereby engaging with the Government's PSM framework. USAID also seeks to be responsive to the Government's wishes, citing as an example work on simplifying and cutting the wealth of law that inhibits the free market and burdens the citizenry. According to a US Congressional law passed 2007, USAID is required to ensure that its contributions to Iraq are matched 1 for 1 by Iraqi Government resources. Hitherto, the provision has been weekly enforced, but it is now a requirement. This arrangement is believed to ensure that the USAID programme will in the future be wholly in line with Government's wishes.

With some minor corrections USAID endorses the Donor Framework that has been drafted by UNDP in consultation with Government, USAID and other donors. Certain details remain to be worked out. For example, the DFID-support on policy development in the COMSEC needs to be aware of similar support being provided by USAID to the Office of the Prime Minister; a clarification of the roles of these two offices appears necessary.

USAID is open to the possibility of collaboration with the UN system. In particular it looks forward to seeing the sectoral studies that are being carried out. USAID's own priorities include strengthening service delivery at provincial level and below, so the insights and plans afforded by the work in progress are eagerly awaited. Although not included in the Tarabot, from 2013 USAID will fund a primary education programme, and already from 2011 exploratory work is underway preparatory to setting up a primary health programme.

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[42] Tarabot: said to be an anglicised version of the Arabic word meaning "linkages", in this case referring to the desired linkages between the national centre and the periphery. The preceding Tatweer programme functioned only at the national level.

[43] Although not in the KRG.

[44] Somewhat misleadingly, this work goes under the name of the "Regulatory Guillotine".

Annex 4

Persons Met and Interviewed

Organisation	Name	Position	Contact Details
UNDP	Peter Bachelor	Country Director	Peter.bachelor@undp.org
UNDP	Sharad Singh	Snr TA (Planning)	Sharad.singh@undp.org
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UNODC	Ihab El-Minabbawi	OiC Iraq Country Programme	Amman
UNDP	Anou Borrey	Snr Gender Advisor	Anou.Borrey@undp.org
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EU Delegation	Hala Al-Sharifi	Project Manager	Hala.al-sharifi@ec.europa.eu
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UN-Habitat	Andreas H. Lück	Snr Reform Adviser Water & Sanitation	Andrea.lueck@unhabitat.org.jo
UN-Women	Dina Zorba	Programme Manager	Baghdad
GoI PMAC	Huda Malik	Director General	hudaalani@gmail.com
GOI PM's Office	Hamid Ahmed	Chief of Staff	Baghdad
US AID	Lisa Y. Whitley	General Development Officer	lwhitley@usaid.gov
UNICEF	Charlie Hrachya Sargsyan	Chief, WASH	hsargsyan@unicef.org
UNICEF	Staneala M. Beckley	Chief of Education	sbeckley@unicef.org
UNICEF	Kumiko Iwasawa	Programme Officer Education	kiwasawa@unicef.org
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UNESCO	Nabil Naccache	Lead Consultant & Coordinator	n.naccache@unesco.org
Geopolicity Inc	Rima das Pradhan-Blach	Senior Public Sector Manager	rima@geopolicity.com

Geopolicity Inc	Peter Middlebrook*	Chief Executive Officer	pmiddlebrook@geopolicity.com
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UNDP	Richard Cox	Aid Effectiveness	Amman
UNDP	Gulnora Azisova	Human Resources	Gulnora.Azizova@undp.org
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UNDP	Khaled Ehsan	M&E Specialist	Khaled.ehsan@undp.org
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