

United Nations Development Group Iraq Trust Fund

Project #74976: C9-29

Date and Quarter Updated: 1 Jan- 31 March

Q1 2012

Participating UN Organisation: UNDP (Lead), Sector: Governance UNESCO, UN-HABITAT, UNICEF, WHO, UNFPA, UNESCWA, UNIFEM					
Government of Iraq – Responsible Line Ministry: Public Services Council, COMSEC, PMAC, MoPDC, MoPDC-COSIT, MoH, MoE, MoHESR, MMPW					
Title	Iraq Public Sector Modernization Programme- Phase1				
Geographic Location	Iraq- National Coverage				
Project Cost	USD 13,600,000 for Phase1as follows: USD 5,000,000 – UNDP/ IAA UNFPA, UNIFEM and ESCWA USD 2,000,000- WHO USD 2,600,000- UNICEF USD 2,000,000- UNESCO USD 2,000,000- UNHABITAT				
Duration	48 months				
Approval Date (SC)	11 April, 2010	Starting Date	28 April 2010	Completion Date	31 Dec 2011
Project Description	The Iraq-Public Sector Modernisation Programme is a US\$55 million joint programme of the UN established to support the GoI in modernizing its public sector by adopting a public sector reform strategy for all of government and launching its implementation in three key sectors. The programme will address existing public sector governance constraints through a government-led, centrally administered and coordinated approach that (i) rationalises the architecture and machinery of government (ii) improves human resource management and culture (iii) enhances administrative functionality and generalised management systems (iv) develops clearly defined and costed service delivery models in target sectors (v) approaches decentralisation through a service delivery lens on a sector-by-sector basis, (vii) increases the devolution of service delivery to local government to secure effectiveness, efficiency, transparency and sustainability, with enhanced participation, and (viii) improves the capacity of local government institutions for decentralised service delivery. The programme will establish synergies with existing UN programmes aimed at addressing corruption, will involve the active participation of civil society, and will fully integrate cross-cutting issues in relation to poverty, gender, social exclusion and environment.				
Development Goal and Immediate Objectives:					
In line with the UN Assistance Strategy for Iraq 2008-2011, the purpose of the proposed Joint I-PSM Programme is to strengthen the regulatory and institutional framework and processes of national and local governance to enhance service delivery, as outlined in detail in Section 4. In May 2011 there was a change of scope within the project to harmonize and build synergy with other development partners in Iraq. The five Outputs were adjusted to four as Output 3 was dropped and which is being implemented by another development partner. Output 2 was further elaborated. Reports from the 2 nd Quarter reporting period forward have utilized this change of scope adjustment. With the Joint I-PSM Programme working on the following four Outputs:					
<ol style="list-style-type: none"> 1. GOI is better equipped to undertake Public Sector Modernization at national and sub-national levels; 2. GOI has capacities for improved public administration systems; 3. GOI has reform and modernization plans in place for targeted sectors; and, 4. Decentralized service delivery improved in target sectors with local governance and enhanced participation. The Iraq Public Sector Modernisation Programme (I-PSM) is in Phase-I which is a purely diagnostic phase. As USAID is to take up and lead Civil Service Reforms (Output 3), the programme requested and received approval to be re-formulated with adjustments and a scope change to four key outputs above. A no-cost extension was agreed and approved by the participating agencies and the ITF Steering Committee which considered the time-frame required to launch the phase II of the programme, the security situation in Iraq, the commitment of the Government of Iraq with the 100 days Government strategy to review the initial systemic incapacities in the Government, and the time required for the					

recruitment process. Thus, a decision was made to request another time extension until 31 st March 2012 for Phase-I.	
Outputs & Activities	<p>From June 2011, reports have reflected the change of scope adjustment in which the Joint I-PSM Programme works on four Outputs which are further defined into the following activities.</p> <ol style="list-style-type: none"> 1. GOI is better able undertake Public Sector Modernization at national, regional and governorate levels: <ol style="list-style-type: none"> 1.1 National PSM Task Force Established; 1.2 Parliamentary sub-committee on PSM in place; 1.3 National I-PSM Strategy in place; 1.4 Enhanced understanding by all levels of government of local planning and local service delivery and the perceptions of local population, especially women, for health, education and WATSAN local services. A focus will be placed on providing space to women's voices to help shape and improve local service delivery. Piloted local e-Governance services rolled out and position papers drafted on private-public partnerships in local service delivery; 1.5 Ministry Advisory Committees in Place to Lead Sectorial Reforms; 1.6 External evaluation of Phase 1 and formulation of detailed Work Plan for Phase 2. 2. GOI has enhanced capacities to review and implement public administration systems: <ol style="list-style-type: none"> 2.1 Standard systems for general management functions supported for their creation and implementation in target sectors; 2.2 Tailor made capacity development initiatives and training packages developed and implemented for general management functions; 2.3 An SES framework for the GOI presented and incorporated into PSM strategy; 2.4 National e-Governance Strategy reviewed in line with improved public administration systems; 2.5 MOPDC has improved capacities for planning and monitoring; 2.6 Standard systems for collection of data for performance and results monitoring and evaluation supported for their creation and implementation in target sectors; 2.7 Target ministries have improved capacities for planning and monitoring; 2.8 Sectorial Reform opportunities identified and sector expenditure management plans in place; 2.9 Gender responsive budgeting understood by GOI and KRG, and mainstreamed in national and provincial budget preparation processes, including sectorial budgets. 3. GOI has reform and modernization plans in place for targeted sectors: <ol style="list-style-type: none"> 3.1 Health Sector has reform and modernization plans in place; 3.2 GOI Education, TVET and Higher Education Sectors have reform and modernization plans in place; 3.3 GOI Domestic Water Supply and Sanitation Sectors have reform and modernization plans in place; 3.4 GOI is provided with review of aggregate, cross-cutting structural issues to enable fiscal and administrative decentralized service delivery; 3.5 GOI is provided with options for citizen participation and public-private partnerships for enhanced service delivery. 4. Decentralized service delivery improved in target sectors with local governance and enhanced participation: <ol style="list-style-type: none"> 4.1 Ministry of Health is able to implement decentralized service delivery with enhanced citizen participation. 4.2 Ministries of Education and Higher Education are able to implement decentralized service delivery with enhanced citizen participation. 4.3 Ministry of Municipalities and Public Works is able to implement decentralized service delivery with enhanced citizen participation. 4.4 Local Government organizational structures and mechanisms strengthened to support decentralized service delivery supported. 4.5 Vertical and horizontal inter-government relations formalised with discussion forums in place and partnerships with international/regional municipalities created. 4.6 Select governorates have mechanisms for improved citizen participation in decentralized service delivery.
Procurement (major items)	Recruitment of International Programme Manager/ Coordinator, Consultants in UNDP, UNESCO and UNFPA in order to provide the technical assistance for the IPSM implementation process. Engagement of external agency for KRG review; recruitment of consultant for external evaluation of Phase-I

Funds Committed – UNDP WHO UNESCO UNICEF UN-HABITAT	USD 4500000 IAA (ESCWA, UNFPA & UNWOMEN) USD 1,928,363 USD 1769745 USD 2,540,817.88 USD 1,193,218.39	% of approved	90% 96% 88.5% 98% 96.6%
Funds Disbursed- UNDP WHO UNESCO UNICEF UN-HABITAT	USD 2716897 USD 1,848,448 USD 1608944 USD 2,345,781.83 USD 1124707.86	% of approved	54% 92% 80.5% 90% 56%
Forecast final date	Time extension approved till 31December 2011 from 28 April 2011 (a time-extension has been requested until 31st March 2012)	Delay (months)	9
Quantitative achievements against objectives and results			
Output 1: 1.1, 1.3, 1.5,1.6 and 2.4	UNDP I. National E-Governance Strategy developed and adopted by the Government; II. Consultations on e-governance master ToT have been produced to the Iraqi initiative on supporting the e-governance role in Iraq. III. Assessment of KRG Public Sector has been conducted, findings to be announced in a workshop in KRG at the end of January IV. Retreat on PSM has been conducted in November 2011, recommendations shared with all stakeholders. V. Synthesis report has been prepared and translated to Arabic. VI. External Evaluation of phase I has been conducted, report has been circulated to all sister agencies. VII. Time extension for phase I have been discussed with all parties and submitted to ITF steering committee for approval.	% of planned UNDP 95%	UNDP and sister agencies under IAA 91% of planned
Output 2: 2.4, 2.5 and 2.6	UNFPA (under Interagency agreement with UNDP) I. 22-23 Oct 2011 UNFPA supported and organized a technical workshop to discuss, review and develop the statistical legal framework (national Statistical Law) in presence of regional and international experts from Palestine, Germany, Norway and Island. II. 15-16 Nov 2011 UNFPA with Iraqi Statistical Offices organized the Functional review Workshop to endorse and finalize the NSS Functional Review Assessment. III. During November and December 2011 UNFPA with its National Partners Produced the Functional Review Assessments report as Final Version and compiled it in one report. This production was produced by contracting a regional expert who review the whole assessments and compiled them in one report. IV. 29 Nov- 1 Dec 2011 UNFPA supported and organized specialized technical workshop on gender Statistics by contracting national, regional and international experts to deliver training on gender statistics sensitive approach. V. During Nov 2011, UNFPA presented his achievements on the modernization of the NSS in the I-PSM retreat, in presence of donors and UN agencies VI. UNFPA submitted I-PSM Phase 2 project document to I-PSM lead (UNDP) which endorsed to be a self-stand-alone component in I-PSM related to modernization of National Statistical System.	% of planned UNFPA 100%	

<p>Output 2,3&4: 2.6, 3.5, 4.5</p>	<p>UNESCWA (under Interagency agreement with UNDP)</p> <ul style="list-style-type: none"> I. Finalized desk reviews on the legal and procedural frameworks related to and governing Participation and PPP in Iraq; II. Developed an in-depth Legal Study, which yielded amendments and recommendations to enhance the legislative and procedural frameworks related to participation and inclusiveness on the one hand, and to PPP on the other; II. Completed the tabulation and analysis of all data gathered from the Participation and PPP surveys; V. Developed a draft report on the current status of Participation and PPP and identified recommendations addressed to concerned stakeholders in the public sphere and civil society; <p>The report is expected to be reviewed by regional and international experts in January 2012 and will be launched in Baghdad in February-March 2012</p> <ul style="list-style-type: none"> I. Completed the tabulation and analysis of all data gathered from the perception assessment performed through the focus group discussions; II. Developed a draft report on the perception of citizens and identified recommendations addressed to concerned stakeholders in the public sphere and civil society to enhance their participation; II. A first draft of the Terms of Reference of the Public Policy Dialogue, Communication and Participation has been initiated. V. The Second Study Mission on Participation and Local Governance was implemented on 18-21 October 2011 in the regions of Piedmonte and Trento in the North-East of Italy. 12 senior representatives of federal, regional and local governments participated in the four-day mission, among which the Minister of State for Provincial Affairs. V. Preparations for the Study Mission on Private-Public Partnerships were fully completed during this reporting cycle. The Mission is expected to take place in Istanbul on 26-29 January 2012. <p>Initiated contacts with relevant governmental entities in Morocco in preparation of the PSM Study Mission scheduled to take place in the month of March 2012.</p>	<p>% of planned UNESCWA 77%</p>	
<p>Output 3: 3.2</p>	<p>EDUCATION: UNESCO: Higher Education</p> <ul style="list-style-type: none"> I. Draft Functional Review completed; II. Draft Service Delivery Assessment and Costing completed; II. Draft joint Road Map for Education Sector reform developed in partnership with UNICEF awaiting GoI approval; <p>Capacity building activities are scheduled to start on phase II, however, the decentralization services have been included in the Road Map of the Education Sector and some workshops/ training have been held on this regard</p>	<p>UNESCO: 70% of planned</p>	
<p>Output4: 4.2</p>	<p>UNICEF: Primary Education</p> <ul style="list-style-type: none"> I. Education Ministerial Advisory Committee (EMAC) in place and functioning, and consultative meetings held; II. All foundation assessments completed. Technical personnel of the MoE were engaged in Baghdad for a period of five months. The assessments, complete with key recommendations for KG –Grade 12, were outsourced to a specialized public sector consultancy firm. 	<p>100%</p>	
<p>Output 3 3.2</p>	<ul style="list-style-type: none"> II. Road Map for K5-G12 completed; V. At a joint GoI/UNICEF/UNESCO workshop held on October 30 to November 2, 2011, the outcomes of the foundation assessments were presented by UNESCO and UNICEF to participants from the MoE and MoHESR, Baghdad and KRG. Intensive discussions took place on the framework and key elements to inform a joint MoE/MoHESR road 		

<p>Output 4: 4.2</p>	<p>map. Several consultations between UNICEF and UNESCO resulted in the production of a draft joint Road Map for the sector;</p> <p>V. At an EMAC meeting in Amman on December 28, 2011, chaired by the Deputy Minister of Education, the findings of the Functional Review, previously submitted to the MoE, and PM’s office, were presented to policy makers. The MoE provided substantive feedback on on-going reforms, including those of a legislative nature. The fact that the government has begun to initiate reform measures augurs well for IPSM Phase II implementation;</p> <p>VI. Joint UNICEF/UNESCO Road Map Narrative submitted January 16, 2012. Joint Work Plan and Results Based framework produced and in the process of refinement, and standardisation, in line with other sectorial Work Plans and RBFs.</p> <p>Very preliminary discussions started at the EMAC meeting of December 28, 2012 on the possibility of a central coordination mechanism for oversight of the IPSM Phase II implementation, a subject to be further addressed at meetings scheduled with the MoE in the last week of January 2012, at which an endorsement of the draft Road Map is anticipated and more concrete plans made for engaging the GoI in finalizing the work plan and RBF, and agreeing on cost sharing arrangements. (Phase II)</p> <p>Meetings with MoE and MoHESR planned</p> <p><u>WATSAN:</u> UNHABITAT/ UNICEF</p>		
<p>Output 4: 4.3</p>	<p>VI. Joint working group to guide the technical experts.</p> <p>II. The Consultant Geopolicity Co. has been involved doing a Scoping study on “Integrated Solid Waste Management – ISWM”. During the report period a number of revisions had to be carried out by Geopolicity based on the comments from the ministry of Municipalities and Public Works and the Ministry of Environment including a data review of previous sector studies, and recent developments as reported by GoI representatives. The Scoping Study on Integrated Solid Waste Management is the outcome of the collaborative process of the Ministry of Municipalities and Public Works (MoMPW), Mayoralty of Baghdad (MoB), Ministry of Municipalities and Tourism (MMT/KRG) and the Ministry of Environment (MoEnv), plus the Ministerial Advisor Committee (MAC). The consultant has submitted the final study report which was forwarded by UNICEF/UNHABITAT to GoI for agreement and approval. On last week, UNICEF received the final agreement letter from MMPW. Similarly, the Arabic translation of the study report was reviewed by both UNICEF WASH team and MMPW.</p>	<p>HABITAT& UNICEF 100% of planned</p>	
<p>Output 3: 3.1</p>	<p><u>HEALTH</u> WHO</p> <p>(a) During the reporting period, the Roadmap for implementation of the IPSM Phase II was finalised by MoH and WHO experts with technical support from renowned international consultants.</p> <p>(b) Detailed review of the Roadmap was carried out and formally endorsed by the Ministry of Health in Baghdad for the federal level and in Erbil for KRG.</p> <p>(c) The Roadmap was reviewed and formal endorsement obtained in a by key MoH staff, representatives of the civil society, academia and international agencies during an intensive two day meeting which was held from 18-19 October 2011.</p> <p>(d) The Roadmap as well as the Functional Review & Health Sector Assessment has been translated in Arabic and published for wider dissemination.</p> <p>(e) The Roadmap was presented to the UN country team. Based on the</p>	<p>WHO 95% of planned</p>	

Output 4: 4.1	Roadmap a three year work plan and a Results Based Framework were developed in December 2011. Output 4.1 (f) The Roadmap developed includes plans for decentralised model of service delivery. (g) During the reporting period, discussions with staff at all levels were organised to orient them on elements and advantages of decentralised service delivery. Survey reports of patients and community members were taken into account while developing the Roadmap for Phase II of IPSM with proposals for strong citizen participation.		
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Qualitative achievements against objectives and results

UNDP

- UNDP has been able to effectively coordinate with different agencies, donors, and the Government during the 4th Quarter. Interaction with the agencies has remarkably improved during this reporting period. UNDP in association with donors like EU and other UN agencies supported the Government in the establishment of a IPSM Steering Committee under the Chairmanship of the Prime Minister’s Advisory Commission. UNDP has also actively participated and represented the UN in the IPSM Steering Committee meetings during the period under report. UNDP has supported the establishment of Thematic Working Groups by the Government that guide the reform process in the different sectors. The Country Director, the Head of pillar and the Programme Coordinator initiated working full time from Baghdad as slots were made available. This has given an opportunity to regularly interact and coordinate with Baghdad based UN agencies and with the Government. The Vision, Roadmap, and PAR Guidelines have been completed and submitted to the Government. UNDP has been able to fully engage the Government on discussions regarding Public Administration Reforms and Public Sector Modernisation.

UNDP/UNFPA

- Functional Review Assessment (FRA) was completely done.
- FRA was compiled in one FR report to be submitted to national partners and I-PSM Lead (UNDP).
- UNFPA achieved the whole target of the I-PSM Phase 1.
- FR was endorsed by Iraqi government.
- I-PSM Phase 2 road map and project document were developed and endorsed by EU as the main donor.
- UNFPA granted to have the NSS as a standalone Sector in the I-PSM phase 2 (the Implementation phase).

UNDP/ UNESCWA

1. Finalization of the Report on Participation, Perception and Private-Public Partnerships

Further to finalizing the field assessment and surveys during the last reporting cycle, ESCWA and its national implementing partner, the National Center for Management Development and Information Technology (NCMDIT), finalized the extraction and tabulation of data gathered and developed a first draft of a comprehensive combined report on Participation, Perception and Private-Public Partnerships. In parallel, legal experts had completed the legal analysis on the frameworks governing participation and PPP in Iraq. It is to note in this regard that a decision was jointly taken by the NCMDIT and ESCWA to combine the different reports issued as components of one unified document due to the high complementarity of outcomes reached in the field assessments and in the prospect of enhancing the cross-referencing approach in the development of comprehensive recommendations. This approach proved to be very beneficial and useful particularly as regards the sectorial analysis lenses adopted throughout the endeavour. The compiled report hence features a thorough presentation of findings and conclusions of the legal study and the field surveys performed within the three targeted sectors. It culminates into a recommendations section that was devised in a manner to address the specificities of the major stakeholders in the participation and PPP spheres. Dedicated recommendations were developed for each type of stakeholder involved in the process, among which are the legislators, federal ministries and line departments of the three sectors covered, local governments and authorities, and finally civil society, inclusive of the private sector. The draft report is expected to be reviewed by regional and international experts early 2012 and will be finalized by end-January. The report will be launched in Baghdad by the NCMDIT / Ministry of Planning and ESCWA during an official ceremony, the venue and timing of which will be determined in due time and will take into account the current security situation prevalent in the capital city.

2. Study Mission on Participation and Local Governance; Turin, Trento-Italy; 18-21 October 2011

A Study Mission on Participation and Local Governance has been implemented in the Piedmonte and Trento Regions in Italy from 18 till 21 October 2011, with the aim of introducing Iraqi decision makers to best practices of participatory planning and fiscal/financial management for enhanced service delivery. The 12 person delegation

comprised the Minister of State for Provincial Affairs and the Deputy Minister of Planning, alongside several senior level representatives of regional and local Governments. The mission was performed in two regions of Italy presenting two different levels of government: a decentralized model and an autonomous one in Trento. Delegates were sensitive and appreciative of the high level of similarities presented by the Italian decentralized model in comparison to the current Iraqi context and system, and confirmed benefiting extensively from the two models presented. The Study Mission yielded a series of recommendations for the improvement of participatory planning at the local level, in particular in relation to consultation mechanisms and processes applied. Participants also highlighted the importance of fiscal decentralization and local level financial management as a means to improving the quality of services provided.

UNESCO and UNICEF

During a workshop conducted in Erbil from October 29 to November 2 2011, representatives from the ministries of education and higher education in Baghdad and Erbil worked on the development of a road map for education reform. Based on the main findings of the functional review, service delivery assessment and costing of the Iraqi Education Sector that UNESCO and UNICEF have supported, the Iraqi participants discussed how to improve the service delivery model and address weakness in the institutional structure of the ministries. Experts from the UN Agencies assisted in the process to draft recommended outputs and activities within a road map for reform that will benefit the efficiency and effectiveness of educational services in Iraq. UNESCO and UNICEF presented the outcome of the assessments and road map at a retreat of the Iraqi Public Sector Modernisation Programme organised in Amman on 9 and 10 November 2011. UN Agencies agreed to request a project extension of 3 months until March 2012 to finalise pending activities and complete the workplan for phase II. The UNESCO team, presented the functional review, service delivery assessment and costing reports to the Education coordination Committee chaired by Dr Hamid in Baghdad on 18 December; UNESCO agreed to present jointly with UNICEF the final road map to the Iraqi authorities and ensure their endorsement ahead of the preparation of the Iraqi Public Sector Modernisation Phase II, which will be designed jointly with the government in line with the recommended actions included in the road map. UNESCO also participated in the meeting of the Education Ministerial Advisory Committee organised by UNICEF on 20 December, where MOE representatives recommended the establishment of a joint MOE-MOHESR coordination committee for the I-PSM. Following the workshop, fortnightly meetings gathered the Iraqi group of experts to finalise the draft Service Delivery Assessment Report throughout July and August. The reports are being reviewed by a group of international experts ahead of final validation by the Iraqi Government. A series of meetings with UNICEF were held in September to complete the Roadmap for MoE and MOHESR Reform based on the findings of the respective functional reviews, service delivery assessments and costing reports.

WHO:

During the period under review, the Roadmap was developed in close partnership between MoH, other relevant ministries like Finance and Planning. The international experts worked inside Iraq for over two months developing a good understanding of the situation in Iraq and close interaction with Iraq staff. The government plans for service delivery based on Family Medicine model were discussed and described in a workable model. The MoH staffs were engaged in discussions related to matters of decentralised service delivery models resulting in a better understanding of the issues and benefits.

Main implementation constraints & challenges (2-3 sentences)

- Delays and slow pace of taking decisions by Government and lack of clarity on public sector reforms by the Government have been major challenges;
- The collection, synthesis, and interpretation of data by the sectors have taken longer than anticipated and slowed down the functional review process;
- Non availability of logistics and time constraints of main counterparts is pushing the MAC meetings to an interval of 6-8 weeks instead of originally planned monthly schedules.
- The fragile security situation in the country is another challenge to every agency. Moreover, the relationships in the context of I-PSM are not clear between Baghdad and Erbil, particularly the roles of governing bodies like steering committees, task force, etc.
- Finding a Gender Responsive Budget expert has been a challenge for UN-Women leading to late start of the component.
- The limited movement of UN/WHO international staff is still a factor that hinders the needed frequent and regular interaction that must exist between MOH health professionals in order to build consensus on priorities for reform and to build their capacity to lead and own the process.
- Difference of opinions amongst key decision makers about the role of the private sector in health care delivery was a challenge in the process of reaching a consensus on the model for health service delivery.
- The modernization of sectors will depend on the progress in modernization of the 'centre of government' mainly in decentralization, civil service reforms, and budgeting and PFM reforms.

