



**Iraq UNDAF Fund
Joint Programme/ Project Revision Request Form**

To: Jacqueline Badcock , DSRSG
Co-Chair – Iraq UNDAF Fund Steering Committee

Date: 13 October, 2014

Thamir Ghadban , Government of Iraq
Co-Chair – Iraq UNDAF Fund Steering Committee

Requesting UN Organization/s:
UNDP
WHO, UNICEF, UNESCO,
UN-HABITAT, UNWOMEN, UNFPA, and
UNESCWA

From: Adam Abdelmoula
Country Director/ UNDP Iraq

JP/ Project Title:	Iraq Public Sector Modernisation Programme(I-PSM)/Phase II		
JP/ Project Number:	P1-05	Original Budget:	USD 17,845,412 (Phase II)
Participating UN Organizations(s)	UNDP(Lead Agency)-WHO-UNICEF-UNESCO-UNHABITAT, UNWOMEN, UNFPA and UNESCWA		
JP/ Project Start Date¹:	1 Jan 2013	Original JP/ Project End Date:	31 Dec 2014
Previous Requests:	Until 31 Dec 2015		
JP/ Project Location:	National Level		

Type of Programme /project variation requested

- Increase in project budget: **Additional 1.6M US\$**
- Extension of JP/ project duration
- Movement of funds between budget components
- Change of JP/ project scope

¹ The start date is the date of the first transfer of the funds from the MDTF Office as Administrative Agent. Transfer date is available on the MDTF Office GATEWAY (<http://mdtf.undp.org>).

1. Progress of Project:

Outputs expected as per approved project document	Status of Achievement				Explanation
	Fully achieved	Partially achieved	%	Not achieved	
i. Gol has enhanced capacity to undertake public sector modernization at national, regional and governorate levels;		x	80%		<p>This output is delivered by UNDP with support from UNWOMEN with respect to issues related to gender. This output focused on policy and structural level reforms for the whole of the government and in KRG, which is primarily based on the development of a National PSM Strategy. It is achieved through the inclusion of new institutional arrangements and the revision of distribution of roles, authority and decision-making mechanisms within Government, in addition to establishing new systems for Knowledge Management. While the initial IPSM Project Document has anticipated the establishment of a PAR Directorate, the developments have led to the establishment of a PAR Management Committee at COMSEC. Besides PMAC and the Council of Ministers Secretariat (COMSEC), the Public Administration Reform Higher Committee (PARHC) and the Public Administration Reform Management Committee (PARMC) were established to manage the implementation of Public Administration Reform Agenda in Iraq. Key achievements include:</p> <ul style="list-style-type: none"> ▪ A national PAR roadmap has been developed and approved by CoM on 24 Sep 2013. ▪ PAR Management Committee was established and embedded within the Council of Ministers' Secretariat (COMSEC). ▪ At KRG level, a KPSM committee was established ▪ Knowledge brokerage on PAR best practices was pursued throughout the year
ii. Gol has improved public administration systems at national and sub-national levels		x	72%		<p>This output is 65% achieved, but a lot is expected during the first quarter of the Year 2014. The output is delivered by UNDP jointly with UNESCWA, UNFPA and UNWOMEN and focused on reviewing and reforming existing administrative systems and procedures. Through strengthening public administration systems, the programme's lead partners, the Prime Minister's Office (PMO), COMSEC, PARHC and the newly established PARMC and Ministerial PAR Committees are technically supported to instigate the required systems and procedural upgrades. The realization of this output has also included human resources development through the strengthening of the training capacity of both the federal and regional governments and the capacitation of the NCM/DIT and KIPA. In addition, the National Statistical Systems and e-governance systems application were further enhanced, which has improved accountability within the administrative structures. Key achievements include:</p> <ul style="list-style-type: none"> ▪ Senior Executive Service (SES) System has been initiated ▪ eGovernance systems have been established at federal and local levels. ePortals for federal

			<p>level ministries and Governorates were initiated. eServices have also been made available at the Gol and two Governorates levels;</p> <ul style="list-style-type: none"> ▪ National strategy for e-governance, Government Interoperability Framework and National Enterprise Architecture developed. ▪ Knowledge Management Systems guidelines were developed and piloted within the Central Statistics Organization (CSO); ▪ Gender Responsive Budgeting (GRB) principles were introduced ▪ National Statistics system modernized in the fields of law, policies, and dissemination. ▪ Strategic plans and outreach strategies developed for the NCMDIT and KIPA <p>This output is 58% achieved. It is supported by UNICEF, UNESCO, WHO, UNFPA and UN-Habitat; UNWOMEN will provide technical inputs in all three sectors in support of gender mainstreaming. The output focuses on reforms in education, health, and water and sanitation sectors through implementation of sector specific modernization plans and capacity development programmes, as per the agreed roadmaps of I-PSMI Phase I by the relevant line ministries, including in the KRG. This output aims directly at improving service quality through development of service delivery models, focusing on rationalized use of financial resources in efficient and equitable manner as well as developing a medium-term fiscal framework to be a link between the policy making process, priorities and budget. Key achievements include:</p> <ul style="list-style-type: none"> ▪ National health Policy developed ▪ Roles and Responsibilities at different levels of MoH was developed ▪ Code of ethics for higher education issued. ▪ Water Demand Management Study for Iraq was completed. ▪ Gol & KRG national consultations on sector reform conducted ▪ Gender Gap Analysis in the Education Sector was performed ▪ The Central EMAC and KR-EMAC were restructured and strengthened. ▪ The School Based model was initiated and SBM manual was developed.
<p>iii. Gol is implementing reform and modernization plans in Education, Health and WATSAN sectors</p>	x	65%	<p>This output is 25% achieved due to the late selection of the pilot governorates by the government that has led to a subsequent delay in the activity implementation of this output and also the achievement of respective results.</p> <p>This output is delivered by all Participating UN organizations. This output is instigate reform plans at the local level and is expected to strengthen the local governance institutions at the provincial and city-level, promote participatory processes, improve urban governance and support decentralized service delivery, including fiscal decentralization (downstream reform). This output will also cover inclusiveness, creating civic and political awareness among</p>
<p>iv. Gol sub-national governance and decentralized service delivery systems strengthened through enhanced participatory processes</p>	x	27%	

					<p>marginalized groups, women and youth and will encourage their participation in public sector reform efforts. It also includes supporting organizational and legislative changes at the national and local levels to prepare the institutions to move to management pattern by the private sector which represent the core of the reform process in changing the state's role in economic life. Key achievements include:</p> <ul style="list-style-type: none"> ▪ Supported the revision and enactment of the Provincial Powers Act (Law 21), which underwent its second amendment and has been issued under Law 19 of 2013. The revision of the law allowed higher decentralization of service provision. ▪ Four governorates were selected, namely Basra, Najaf, Salahiddien and Dohouk, the AWP for the latter was developed. ▪ Dedicated work plans are currently being developed, comprising all the PAR interventions that would be implemented at local level.
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2. JP/ Project Expenditure to Date:

- Total commitments² \$14,889,188.86
- Total Disbursements³ \$11,169,900.00

Agency	Budget(\$)*	Fund received	Commitments(\$)	%	Disbursements(\$)	%
UNDP including JMU	4,673,844	4,673,844	4,647,101.86	99%	3,597,051.00	77%
UNESCO	2,427,228	2,427,228	1,483,389.00	61%	1,307,765.00	54%
UNESCWA	677,608	677,608	388,924.00	57%	380,342.00	56%
UNFPA	1,956,094	1,956,094	1,854,175.00	95%	1,214,362.00	62%
UN-Habitat	2,078,947	2,078,947	2,015,262.00	97%	1,246,000.00	60%
UNICEF	3,122,947	2,142,974	2,018,389.00	94%	1,262,992.00	59%
UNWOMEN	1,181,932	1,081,932	924,835.00	85%	687,645.00	64%
WHO	2,926,812	2,926,812	1,557,113.00	53%	1,473,743.00	50%
IPSM Total	19,045,412	17,965,439	14,889,188.86	83%	11,169,900.00	62%

(*) Including 1,200,000 additional fund allocated during the last UNDAF TF SC meeting, March 14.

3. Justification / Explanation of Revision Requested:

3.1 Programme background:

The Iraq – Public Sector Modernization (I-PSM) Programme is a Government led joint UN programme supporting Iraq's Strategic Government Plan (SGP) 2015-19 and its National Development Plan (NDP) 2013-2017. The programme is fully aligned with the UN Development Assistance Framework (UNDAF) 2011-2014. The Programme has four themes: i) Developing policy and building machinery at the centre of government for managing Public Sector Modernization (PSM); ii) Supporting system-wide reform for development management, gender mainstreaming, e-governance and national statistics; iii) Piloting reform in the three key sectors of health, education and water and sanitation (WATSAN); and iv) Supporting decentralized service delivery and local governance initiatives. Phase II of the programme builds on lessons learned and recommendations emerging from the implementation and external evaluation of the I-PSM Phase I. I-PSM Phase I is the foundation for the analytical assessment and preparatory work enabling Government to develop a system-wide public administration reform plan, as well as sector-specific modernization plans for three pilot sectors and three pilot governorates.

By focusing on service delivery, the Government can demonstrate to the Iraqi people that public sector modernization has concrete and tangible benefits for the population as a whole. This programme establishes synergies with existing UN programmes aimed at addressing corruption, involving the active participation of civil society, and integrating cross-cutting themes in relation to employment, gender, social inclusion and environment. The programme ensures coordination with public sector reform initiatives of other bilateral and multilateral development partners and with other major UN joint programmes, primarily with the Local Area Development Programme (LADP) Phase-II, and also take into account the achievements of the Private Sector Development Programme – Iraq (PSDP-I) to enhance synergy and avoid duplication.

² Commitments: All legally binding contracts signed (for goods, works, and services -including services performed under individually recruited personnel contracts) as permissible by the respective UN Organization's financial rules and regulations. Please note that the commitments reported are the total amount of binding contracts entered by the UN Organization and SHOULD NOT BE REDUCED as a result of disbursements made against the commitments since the purpose is to determine the balance of funds available for project activities.

³ Disbursements

Actual payments (for goods, works, and services -including for services performed under individually recruited personnel contracts) made against signed contract commitments. In most cases, total reported disbursements should not exceed total commitments, except in cases where disbursements are made against non-committed project funds (such as small scale payments, indirect programme costs etc, where no commitments are raised prior to payment).

3.2 Justification of Budget Extension

Government of Iraq endorsed a Public Administration Reform Roadmap (PAR) in September 2013 that presents Iraq's national vision for a public sector modernization program. Given PAR scope of work, IPSM has aligned the activities of its 2014 annual work plans for the Eight Participating UN Agencies with that of the PAR annual work plan for the same year. As such there has been an estimated deficit of about US\$ 2M in the cost of international technical assistance provided by the Participating UN Agencies to implement their 2014 AWP's including the cost of international staff salaries. The deficit will remain so for the year 2015 if IPSM is to continue supporting the national agenda of public sector modernization in Iraq. Over and above, the IPSM Joint Management Unit has witnessed a severe resource shortage that threatens its existence beyond 2014. The problem is further compounded by the un-endorsement of the Iraq Budget law for the year 2014, and hence the inability of national counterparts to utilize the cost sharing allocated budget.

Another issue is related to recent security instability during the period June – October, where a limited number of activities were implemented. This requires some additional time to be implemented the whole set of activities after June 2015 (the expected timespan of the current activities). This will require additional funds to cover the additional running cost particularly for the international technical assistance.

3.3 Work Plan during the extension period:

IPSM 2014 AWP has been developed in a participatory consultative manner with the participation of key national stakeholders concerned with the Public Administration Reform in Iraq; a copy is attached with the present request. IPSM 2014 AWP has been already aligned with 2014 annual work plan for the national agenda of Public Sector Reform in Iraq to maximize the effectiveness of the official development assistance to Iraq in this regards. In IPSM AWP, some activities have enough resources to be implemented, while others may lack either in part or in full the required resources for implementation. The present request intends to partially cover the defect in cost of activities implementation and also the cost of international staff salaries and the entailing costs in the years 2014 and 2015.

4. Mitigation strategy in place to ensure compliance with timeline extension requested:

Implementation rate is already high for most of implementing agencies, and the additional funds are mainly needed to cover the cost of international staff and programme management to ensure availability of programme staff to provide the support and mobilize the required technical assistance. It is expected that all agencies will complete their activities by the end of the first half of 2015 and the remaining period will be to conclude any remaining details and prepare progress and financial reports.

5. Documents Attached:

- Revised budget sheet
- Revised programme/project work plan
- Other supporting documents

**Revised Budget Sheet by Participating UN Agency
Revised Budget by Participating UN Agency and Tranche**

Agency	Tranche 1	Tranche 2	Total	Additional Request	Grand Total
UNDP*	2,931,012	1,742,832	4,673,844	740,000*	5,413,844
UNESCO	1,548,009	879,219	2,427,228	150,000	2,577,228
ESCWA	677,608	-	677,608	-	677,608
UNFPA	1,204,598	751,496	1,956,094	95,000	2,051,094
UN-Habitat	2,078,947	-	2,078,947	185,000	2,263,946
UNICEF	2,142,974	979,973**	3,122,947	245,000	3,367,947
UNWOMEN	1,081,932	100,000 **	1,181,932	60,000	1,241,932
WHO	1,745,301	1,181,511	2,926,812	125,000	3,051,812
Total	\$13,410,381	\$5,635,031	\$19,045,412	\$1,600,000	\$20,645,411

(*). Includes 400,000 for JMU.

(**). Fund not received yet

PROGRAMME BUDGET

PROGRAMME BUDGET		ESTIMATED UTILIZATION OF RESOURCES (US\$)		
CATEGORY	AMOUNT (US\$)	Year 1	Year 2	Year 3 (2015)
1. Staff and other personnel costs	11,153,434	6,833,307	2,512,554	1,807,573
2. Supplies, commodities, Materials	25,629	25,629	-	-
3. Equipment, Vehicles and Furniture including Depreciation	121,000	97,500	23,500	-
4. Contractual Services	6,074,938	4,338,795	1,244,616	491,526
5. Travel	715,193	418,456	159,200	137,537
6. Transfers and Grants Counterparts	316,813	286,813	30,000	-
7. General operating and Other Direct Costs	891,628	532,576	175,020	184,032
Total Programme Costs	19,298,635	12,533,076	4,144,890	2,620,669
8. Indirect Support Costs	1,346,777	877,302	290,142	179,332
TOTAL	20,645,412	13,410,378	4,435,033	2,800,001

Budget Category Participating Agency	UNDP	UNESCO	UNICEF	ESCWA	UNFPA	UNHABITAT	UNWOMEN	WHO	IPSM Total
1. Staff and other personnel costs	470,000	55,000	91,000		38,000	104,000	34,000	60,532	852,532
2. Supplies, commodities, Materials	0	0	0		0	0	0	0	0
3. Equipment, Vehicles and Furniture including Depreciation	0	0	0		0	0	0	0	0
4. Contractual Services	110,000	83,000	116,375		50,000	43,167	14,000	50,893	467,435
5. Travel	20,462	0	11,270		0	8,633	2,800	0	43,165
6. Transfers and Grants Counterparts	0	0	0		0	0	0	0	0
7. General operating and Other Direct Costs	97,364	3,076	10,799		1,600	17,497	5,675	5,629	141,639
Total Programme Costs	697,825	141,076	229,444		89,600	173,297	56,475	117,053	1,504,771
8. Indirect Support Costs	42,175	8,924	15,556		5,400	11,703	3,525	7,947	95,229
TOTAL	740,000	150,000	245,000		95,000	185,000	60,000	125,000	1,600,000

Head of Coordinating UN Organization:	Signature:	Date: 13 October, 2014
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6. Approval requirements:

- Request requires approval by Co-Chairs of the Iraq UNDAF Fund Steering Committee
- Request requires approval of Iraq UNDAF Steering Committee