# UNITED NATIONS DEVELOPMENT GROUP (UNDG) IRAQ TRUST FUND (ITF)

## ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT

## REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2011

| Programme Title & Project Number | Country, Locality(s), Thematic/Priority Area(s) |
|---|---|
| • Programme Title: Iraq Public Sector Modernization Programme (Phase I) <br> • Programme Number: C9-29 <br> • MPTF Office Project Reference Number: 0074976 | National Level <br><br> Governance and State Building |

| Participating Organization(s) | Implementing Partners |
|---|---|
| UNDP (Lead Agency), WHO, UNICEF, UNESCO, UN-HABITAT, UNFPA, UNOPS, UNESCWA, UN Women | Iraq Council of Minister's Secretariat, Prime Ministers' Advisory Commission, Ministry of Planning and Development Cooperation, Central Office of Statistics, Ministry of Health, Ministry of Education, Ministry of Higher Education and Scientific Research, Ministry of Municipalities and Public Works, Ministry of Science and Technology in Baghdad and KRG |

| Programme/Project Cost (US$) | | Programme Duration | |
|---|---|---|---|
| **MDTF Fund Contribution: $13,600,000 for Phase I** | | Overall Duration *(months)* | **12 months for Phase I** <br> **Delay :8 months on Phase I** |
| UNDP: (Including Interagency agreements with UNFPA, ESCWA &UNWomen) | 5,000,000 | | |
| WHO: | 2,000,000 | Start Date | **28th April 2010** |
| UNICEF: | 2,600,000 | | |
| UNESCO: | 2,000,000 | End Date: | 31st March 2012 |
| UNHABITAT: | 2,000,000 | | |
| **TOTAL:** | **13,600,000** | | |

| Programme Assessment/Review/Mid-Term Evaluation | Report Submitted By |
|---|---|
| Assessment/Review-<br>■ Yes  □ No   Date: *minutes of 2011 attached*<br>Mid-Term Evaluation Report *–external*<br>■ Yes  □ No   Date: **December 2011** | o  Name: Rini Riza<br>o  Title: Governance Cluster Manager<br>o  Participating Organization (Lead): UNDP<br>o  Email address: rini.reza@undp.org |

## I. Purpose

Main objectives and expected outcomes of the programme:

- The Iraq-Public Sector Modernisation (I-PSM) programme is a US$55 million United Nation Joint Programme, which was established to support the GoI efforts to modernize its public sector by adopting a public sector reform strategy. This includes launching programme implementation in the three key sectors; health, education and water and sanitation.

- The programme is structured into two phases. This report focuses on Phase I (US$13,600,000) which has involved the assessment, preparation and enabling actions for the start-up of a medium and long term, government-owned reform and modernization process. It has included various sectoral function reviews and assessments, together with diagnostic and analytical work, costed service delivery models and road map for modernization of the public sector.

- The culminating output of Phase I will be:
  I. Formation of the various government bodies necessary for policy development and implementation of the programme; and
  II. Formulation by Government, with input from the UN and other international development partners, of a National Public Sector Modernisation (PSM) Strategy.

### Integrated Joint Programme (JP) Outcome:

Outcome 1: Strengthened institutions, processes and regulatory frameworks of national and local governance.

### Main JP Outputs (as per the change of scope approved in May 2011):

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.

Programme relations to the applicable Strategic (UN) Planning Framework:

### Strategic Framework and Country Strategy Outcome:

I-PSM Programme supports the attainment of the (i) National Development Strategy (NDS/ NDP) (ii) the International Compact with Iraq (ICI) (iii) the United Nations Assistance Strategy for Iraq and (iv) Sector Outcome Team (SOT) interventions, as detailed below:

### (i) National Development Plan (NDS/NDP):

Goal 1: Mitigate Poverty and Hunger.

Goal 2: Good Governance: NDP Chapter 12.1.

"Public sector reform requires building more capacity to create an environment conducive to successful management and responsiveness to crises. This can be achieved by empowering the private sector rather than leaving its potential untapped in the shadows of public sector dominance. It is worth noting that development of the civil service system is crucial if the

country decides to improve its capabilities; implement a system of accountability and responsiveness to variables; and maintain its commitment to the Millennium Development Goals. As citizens expect the state to provide opportunities and services, reform must be a top priority. That is the key to ensuring change at the various management levels".

Goal 3: Enhancing gender equity and strengthening women issues.

### (ii) International Compact with Iraq (ICI):

1.1.1    Complete the implementation of the civil service census to support operational headcount management, gender balance, payroll control and fiscal sustainability.

1.1.2    Pass a modern Civil Service Law to regulate personnel management arrangements and administrative reforms.

1.1.3    Establish the Federal Public Service Commission to regulate the affairs of public office including appointments, promotions and administrative reforms as provided by law.

1.1.4    Develop a machinery of government (modernisation) strategy to determine the size, shape, mandate and functions of government bodies at national and sub-national levels, in accordance with the new Civil Service Council Law to support enhanced service delivery.

### (iii) UN Assistance Strategy:

To strengthen the regulatory framework, institutions and processes of national and local governance. Specific outcomes include;

1. Council of Representatives capacity developed for integrity, inclusive governance, gender and human rights;
2. Enhanced capacities to plan, coordinate, implement and monitor public sector reforms and international assistance;
3. e-governance strategy drafted and GoI equipped with pilot e-governance systems;
4. Strengthened regulatory and institutional framework for anti-corruption and accountability; and,
5. Improved policy-making, planning, budgeting and delivery capacity of decentralized governance stakeholders.

### (iv) UNCT Outcome:

Outcome 4:    Strengthened regulatory frameworks, institutions and processes in place for accountable, transparent and participatory governance at national and local levels.

During 2011, the UN Country Team is guided by three key new documents which have a direct impact on this project and UNDP-Iraq. These documents are described below:

### (1) United Nations Development Assistance Framework For Iraq 2011-2014 (UNDAF)

The UNDAF was prepared by the UNCT in Iraq in consultation with the Government of Iraq and other partners and signed 11 May 2010. It aims to improve the lives of the people in Iraq, and particularly the most vulnerable groups, in alignment with the national priorities and Millennium Development Goals (MDGs).

The UNDAF (2011-2014) is a significant milestone in the nation's recovery and transition towards longer term development. Based upon and prepared in parallel with the Iraq Five Year National Development Plan (NDP) 2010-2014, the UNDAF provides a coherent and coordinated strategy for the delivery of UN assistance that embodies the Paris Principles, and supports the newly elected Iraqi administration in meeting its various obligations.

The focus of the UNDAF implementation is to foster national capacity and leadership of the development process, within governmental, non-governmental and social institutions, in order to transition the country from the impact of violence and repression characterizing recent decades. Five UNDAF priorities have been identified, providing the scope and strategic direction of the UN system's support to Iraq in the next four years, namely:

1. Improved governance, including the protection of human rights.
2. Inclusive, more equitable and sustainable economic growth.
3. Environmental management and compliance with ratified international environmental treaties and obligations.
4. Increased access to quality essential services.
5. Investment in human capital and empowerment of women, youth and children.

## (2) Country Programme Document 2011-2014 (CPD)

The first UNDP Country Programme was endorsed by GoI and approved by the Executive Board of UNDP on 3$^{rd}$ September 2010. The Country Programme is aligned with the National Development Plan and is nested within the UNDAF.

UNDP has identified four priority areas of synergy with National Development Plan and UNDAF, namely:

    a) Fostering inclusive participation,
    b) Strengthening accountable and responsive governing institutions;
    c) Promoting inclusive growth, gender equality, climate change mitigation and adaptation and MDGs achievement; and
    d) Restoring the foundations for development.

The Country Programme takes into account that UNDP operates under the overall mandate of the United Nations Assistance Mission for Iraq (UNAMI) focusing on the role of supporting the GoI in the transition towards national reconciliation, peace and stability through work on governance, poverty alleviation, economic recovery and environment guided by conflict prevention and recovery approaches identified in five outcomes and respective outputs. Five Country Programme priorities have been identified, providing the scope and strategic direction of UNDP to Iraq in the next four years, namely:

1. GoI and civil society have strengthened participatory mechanisms in place for electoral processes, national dialogue and reconciliation
2. Enhanced rule of law, protection and respect for human rights in line with international standards
3. Strengthened regulatory frameworks, institutions and processes in place for accountable, transparent and participatory governance at national and local levels
4. GoI has the institutional framework to develop and implement MDG-based pro-poor, equitable and inclusive socio-economic and environmental policies and strategies
5. Enabling policy and frameworks for rapid economic recovery, inclusive and diversified growth and private sector development

## (3) Country Programme Action Plan 2011-2014 (CPAP)

The CPAP is a signed legal agreement between the Government and UNDP based upon the Country Programme Document and it was signed with the Government of Iraq on 14$^{th}$March 2011. The 2011-2014 CPAP is a four-year living document defining the mutual cooperation and programme of work shared between the Government and UNDP.

It is a response to the specific challenges identified in the UN Common Country Assessment 2009 and the UN response as outlined in the UN Development Assistance Framework (UNDAF) 2011-2014. These, in turn, take account of the Millennium Development Goals, the Iraq National Development Plan as well as the lessons learned from past UNDP programming in Iraq.

The CPAP, has been prepared in close consultation with key stakeholders, defines the goals, and broad outline of strategies and activities that the Government and UNDP jointly subscribe to, with agreed financial parameters. The CPAP further elaborates the five CPD outcomes and respective outputs of UNDP which has been incorporated in this ITF project.

## II. Resources

### Financial Resources:

UNDP Iraq follows the Financial Regulation and Rules (FRR) and the Procurement Manual posted under the Programme and Operations Policies and Procedures (POPP) which provides the framework to carry out procurement processes. The following bullets serve as guiding principles within the procurement process at UNDP Iraq. These principles are:

- Best Value for Money;
- Fairness, Integrity, Transparency;
- Effective International Competition.

UNDP defines procurement as the overall process of acquiring goods, civil works and services which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration through the end of a services' contract or the useful life of an asset. UNDP has two primary documents, the Financial Regulations and Rules and Procurement Manual, which specify solicitation procedures for supply of goods, services, or works, including appropriate methods for evaluating and selecting awardees and possible contracts. The Regulations and Rules and Procurement Manual also indicate which conditions justify waiving the competitive tendering process in favor or direct contracting.

Further, in order to ensure compliance with UNDP regulations, rules, policies and procedures, all procurement activities at UNDP-Iraq are subject to a review and approval process prior to an award of a procurement contract.

In summary UNDP-Iraq Procurement Unit follows the rules, regulation and there is no variance in standard procedures. During the course of 2011:

- No other financial resources have been mobilized for this project. However, it is worth mentioning that the government of Iraq has contributed USD 3 million to support its capacity building in e-governance. UNDP has provided the technical assistance while GoI covered all logistics arrangements.

- A no-cost time extension of I-PSM Phase I request has been approved by ITF and Phase-I was extended until 31st March 2012. Extensive efforts have been made during the year to put coordination mechanisms in place and to ensure non-duplication or overlapping of the project with other development agencies.

- UNWOMEN has contracted 1GRB specialist, 1 technical expert and 1training coordinator.

- Under UNESCO there were 16 National Education Experts, 6 International Education Experts and 4 Reporting, copying and translation services.

### Human Resources:

| Agency | Position Title | No |
|---|---|---|
| UNDP | Programme Coordinator | 1 |
| UNDP | Programme Assistant | 1 |
| UNDP | Programme Officer/ Under process | 1 |
| UNWOMEN | N/A | |
| UNESCWA | N/A | |
| UNFPA | N/A | |
| UNESCO | N/A | |
| UNICEF | N/A | |
| WHO | N/A | |
| UNHABITAT | N/A | |

## III. Implementation and Monitoring Arrangements

The programme is being implemented by all concerned UN agencies/partners in close collaboration with the government counterparts. The UNDP Programme Coordinator monitors the progress of implementation of the programme as per work plan by every agency, collects quarterly progress reports from them, consolidated the report and submits to ITF Steering Committee through RCO. Periodical (nearly monthly) coordination meetings were convened by the Programme Coordinator for deliberations on the implementation issues, sharing of experiences and lessons learned.

By the end of 2011, technical teams from the Government, with national and international experts prepared the I-PSM roadmaps of Health, Education and WATSAN sectors and National Statistics System (NSS).

A 2-day retreat for the entire programme implementation team and government counterparts was held in November 2011. A large number of GoI and KRG officials, MAC representatives, donors and UNCT officials also participated in the retreat. The findings of Phase-I were presented by concerned implementing agencies in the retreat. Extensive deliberations took place on the issues related to planning, budget, management and coordination arrangement for the next phase. Interim report of the evaluation by external expert was also presented in the retreat.

The retreat has concluded set of recommendations of the way forward of IPSM II. New mechanism of internal administration has been agreed, shifting from the coordination to the management mode through positioning of a Programme Director and establishing a Programme Management Team (PMT) comprising of Project Managers/CTAs of all implementing agencies.

Under the leadership of the UNDP Country Director, the Governance Head of Pillar and all UN Agencies that are part of the I-PSM were meeting on regular basis, at least once every month, as part of the UN Programme Steering Committee. These meetings were chaired by UNDP with comprehensive minutes developed and distributed with all UN Agencies. The I-PSM

international consultants were also participating in number of UNCT meetings in addition to I-PSM GOI Steering Committee meetings for advisory, support and transparency.

In addition, coordination and linkages with other relevant UNCT programmes such as the Local Area Development Programme (LADP), Anti-corruption and Aid Management work were also put in place during the course of 2011.

The procurement of individual and institutional services and commodities for office requirements were made through open, transparent and competitive process following standard procedures of UN Agencies.

## IV.      Results

Summary of the Programme progress and key achievements during the reporting period are described below:

| Output 1: |
|---|
| **GoI is better able undertake Public Sector Modernization at national, regional and governorate levels.** |

**95% achieved**

UNDP
- A National I-PSM Steering Committee established in the Government;
- Inputs for developing the National I-PSM Strategy was drafted and shared with GoI;
- Assessment Reports on NSS, SES, GRB and e-Governance developed;
- External evaluation of Phase I conducted, report shared with all stakeholders;
- Strong willingness and support from GOI to the e-Governance initiative;
- Assessment of KRG Public Sector conducted, findings to be announced in KRG by the first quarter of 2012;
- Study tour to Canada on SES conducted, eight Senior GoI officers participated and observed the Canadian systems of federalism, SES systems, and public services;
- Synthesis report of function reviews prepared and translated into Arabic for sharing with GoI;
- The work on planning for the Phase II in consultation with all stakeholders and informed by the findings of the Phase I studies and reviews started;

UNDP/ UNESCWA
- Finalized the comprehensive Terms of Reference for the Functional Reviews on Participation and Private-Public Partnership (PPP) Schemes in Service Delivery further to incorporating the feedback

received from UN partners and national counterparts, and performed Arabic translation;

- Initiated the design of the surveying tools and forecasted methodology, in addition to preparing a detailed research and assessment plan to guide the field research;
- Identified and initiated contracting procedures with national implementing partner, the National Center for Management Development & Information Technology (NCMDIT), part of the MoPDC, in addition to performing a first coordination meeting in Amman.

## Output 2:
### GOI has capacities for improved public administration systems.

**85% achieved**

UNDP
- Four e-Governance strategies approved;
- E-Governance study tour to India conducted;
- E-Governance website (portal) launched;

UNDP/UNFPA
- The Civil Registration Functional Review completed in close coordination with the Ministry of Interior (MoI), Ministry of Health (MoH), and the High Judicial Commission (HJC) in both Baghdad and Erbil.
- Three field consultancy missions were conducted during July 2011 to:
  - assess and propose modifications and developmental steps to the current legal framework of dataflow;
  - study classifications and coding system used in CSO/KRSO as well as in the pilot ministries in both Baghdad and KRG;
- A technical workshop organized UNFPA in October 2011 to discuss, review and develop the statistical legal framework (National Statistical Law) in presence of regional and international experts from Palestine, Germany, Norway and Iceland;
- Functional Review workshop organized in November 2011 to endorse and finalize the National Statistics System (NSS) Functional Review Assessment;
- The Functional Review Assessments for NSS completed and report produced;

UNDP/UNESCWA
- A Study Mission on SES implemented in September 2011 in Ottawa, Canada. The Study Mission delegation consisted of eight

(8) very senior level public officials who were exposed to the adopted Canadian SES model as well as to the federalist structure and mechanisms in place. The Mission yielded very positive results as the Iraqi delegation highlighted several lessons learned and are planning to induce change within their PSM Strategy as mentioned during the closing session;

- Second Study Mission on Participation and Local Governance was implemented in October 2011 in the regions of Piedmonte and Trento in the North-East of Italy. Twelve senior representatives of federal, regional and local governments participated in the four day mission, among which the Minister of State for Provincial Affairs.

UNDP/ UNWOMEN ▪

- Reviewed the sector agencies work from the gender perspective (WHO, UNESCO, UNICEF and UNHABITAT);
- Finalized desk reviews on the National Budget in Iraq and the roles of different actors in budgetary process in particular MoF and MOP. And study the cycle of budget in the sector ministries;

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**Output 3:**

> **GOI has reform and modernization plans in place for targeted sectors.**

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**86% achieved**

UNDP/ UNWOMEN

- Six meetings were held in December 2011 related to GRB awareness and advocacy with the executives/representatives from departments of planning, budgeting and gender in the ministries of Finance, Planning, Health, Education, and Municipalities.

UNDP/ ESCWA

- Completed all planned field surveying endeavors pertaining to citizen's participation and Public-Private Partnerships (PPP).
- Finalized desk reviews on the legal and procedural frameworks related to and governing Participation and PPP in Iraq;
- 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;
- 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;

UNESCO

- Draft Functional Review completed;
- Draft Service Delivery Assessment and Costing completed;
- Draft joint Road Map for Education Sector reform developed in partnership with UNICEF awaiting GoI approval, based on which the capacity building activities scheduled to start in October 2011.

WHO

- An extensive Health System Performance Assessment (HSPA) as part of the diagnostic component of the I-PSM was completed by the National Study Team in major Governorates of Iraq including KRG;
- MoH was supported in essential analytical work aimed at the analysis of the budget of government for financing health, assessment of the Public Financial Management in the Ministry and costing of the initiatives for the reform of the health sector in Iraq in support of finalizing the key assessments and reviews of phase I of the project;
- The Roadmap was reviewed and formally endorsement  by key MoH staff, civil society's representatives, academia and international agencies;
- The Roadmap as well as the Functional Review & Health Sector Assessment were translated in Arabic and disseminated for wider dissemination by the MOH.
- Based on the Roadmap a three year work plan and a Results Based Framework was developed;

UNICEF/UNESCO

- Inception Report, Service Delivery Review and Costing Review were all completed.
- Outcome of the Functional Review have been shared with the Minister of Education;
- Education Ministerial Advisory Committee (EMAC) in place and functioning, and consultative meetings were held;
- All foundation assessments were completed;
- Draft joint Road Map for the education sector prepared;

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**Output 4:**
**Decentralized Service Delivery Improved in Target Sectors with
Local Governance and Participation Enhanced .**

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**75% Achieved**

UNDP/UNESCWA

- Completed all planned field surveying endeavors pertaining to citizen's participation and Public-Private Partnerships (PPP);
- 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;
- A first draft of the Terms of Reference of the Public Policy Dialogue, Communication and Participation has been prepared;

UNESCO

- Training programmes conducted for senior officials of the MoHESR trained to support execution the Based on the proposed Service Delivery model, and Change Management Process,
- Service Delivery Benchmarks and Frameworks Rolled Out;
- Model employed for budget formulation process;
- Change Management groups established and trained;

UNHABITAT/ UNICEF

- Inception Report and the Functional Review Report and Road Map were approved;

WHO

- A capacity development workshop on health system strengthening and modernization was conducted;
- The Roadmap was developed includes plans for decentralized model of 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.

**Other highlights and cross-cutting issues pertinent to the results of the Programme:**
- National Statistical System (NSS) report submitted, intensive workshops and meetings for the information gathered from the functional reviews have been made in order to finalise the NSS report and share with the government.
- Senior Executive Service (SES) study tour conducted; both GOI and KRG were represented and have been very eager to reflect SES within PSM. Report on SES shared with main stakeholders.
- Gender Responsive Budget plan discussed as a cross-cutting issue of all sectors, workshops and study tours arranged to take place for the enhancement of this concept to government officials.
- Several achievements under the e-governance, counterparts cost-shared many activities and are very eager to take this initiative forward.

- External Evaluation report has been shared lessons learned were incorporated and highlighted to all stakeholders.
- PD, WP, and RBF of Phase II is under approval process.

## V. Future Work Plan:

UNDP and other sister agencies have successfully built the bonds of excellent harmonization with the Iraqi Government on PSM. The Public Sector Modernization Steering Committee now is better able to lead and guide the work of PSM forward.

UNDP has successfully coordinated with other stakeholders (donors) working on public sector reform in order to prevent any overlapping. UNDP also mapped the work of all organizations for better results and achievements. The first draft report of the KRG Assessment has been shared with main stakeholders; both GoI and KRG which resulted in increased synergy and who are now very eager to continue the work of PSM and to support the UNCT on this initiative.

The remaining activities of the Phase I will be completed during the extension period. The planning for the Phase II will be completed, the plan document including Result Framework and Work Plan will be shared with GoI for their feedback and endorsement. After the completion of the respective approval processes ITF will release of funds for the next phase. The implementation of the Phase II of Programme will initiate with inception study and baseline survey of targeted public sector system, processes, institutional and individual capacities and service deliveries. The estimated budget for Phase II is USD 41.40 million.

The implementation and monitoring arrangement will change during the next phase from coordination to management mode. The management of the programme will be responsibility of a Programme Management Team headed by a Programme Director.

## Challenges:

- Managing an oil state poses particular challenges of allocation of its benefits and ensuring transparency of its revenues;
- The last 20 years have been devastating to Iraq's public administration and the loss of trained and experienced senior officials;
- No Ministry or entity so far has been nominated or set up to conceptualize, plan, implement and steer Iraq's public sector reform;
- The protracted process of establishing the Civil Service Council is a challenge to implement the human resource management part of PSM;
- There is not yet an official document to guide and direct Public Sector Modernization;
- Fragmented government structures with overlapping functions of ministries, department and agencies;
- State-owned enterprises (SOEs) affect the private sector and drain the government treasury;
- In the past there has been limited space and inclination for civil society to contribute to government policy and practice. ;

- The high number of stakeholders, Iraqi and international, involved in PSM poses coordination challenges and weakens coherence in the PSM vision and implementation;
- Limited incentives for promoting reform and modernisation of the public sector;
- Outdated work processes and procedures resulting in protracted workflows and low levels of transparency and accountability in decision-making processes;
- Underdeveloped capacities in policy management;
- Lack of e-connectivity to increase efficiency and decrease risks of corruption.

## Lessons Learned

Phase I of the I-PSM programme and global experiences from civil service and public administration reform programmes bring the following lessons for I-PSM Phase II:

**Strategic Lessons Learned:**

1. Reform is a highly political undertaking. Countries in transition are particularly resistant to reform because the political landscape is new, unstructured and prone to factionalism;
2. Reform results in the short term are always at risk and modest – that is the nature of the complex long-term process of reform. This does not mean  it is failing but rather only that those in charge must sustain the effort and instil confidence among stakeholders to persist in their efforts;
3. In post-conflict countries it has been found that public administration is an important mechanism for progressively deepening, broadening and institutionalizing the political settlement as much as it is a mechanism for delivering public services;
4. Successful reform and restructuring programmes are government-led and international community supported, well-coordinated and implemented over the medium to longer term (10-20 years);
5. Public sector modernisation is a long-term, difficult and convoluted process. It is important to emphasise from the start that execution of such reforms is a phased year-by-year, learning-by-doing approach with the need to frequently re-visit and re-plan initiatives abandoning some and picking up new initiatives along the route;
6. Identifying/establishing an entity for management and reforms of civil services is crucial for long-term programme success. In its absence, reforms risk being piecemeal and poorly coordinated. There should be a highly placed entity to conceptualise, plan, implement, guide and lead public administration reforms across the entire government;
7. Widespread insecurity, unemployment, increasing cost of living and high levels of vulnerability, all of which have contributed to increased public sector staffing, may mean that any deep civil service and administrative reform programme could be both controversial and potentially politically destabilising. This can be mitigated by private sector development and employment generation;
8. Application of new laws and legal frameworks (from the Constitution to the Provincial Powers Act), the balance of power between the centre and periphery, and differences of opinion as to how best to approach devolution of service delivery, mean that conclusions must be derived only through participation and consensus with engagement of Iraq's citizens;
9. E-governance plays a crucial role in improving service delivery standards, enhancing transparency and furthering decentralisation;
10. With multiple donors and development interventions in Iraq, there is strong need for an aid coordination and effectiveness mechanism;
11. The Government of Iraq is traditionally highly centralised and previous efforts to decentralise have generally been met with political opposition. Decentralisation must therefore be evidence-based and approached on a sector-by-sector basis, driven by the objective of effective service delivery;
12. The programme interventions should create short-term wins to show progress;

13.     A comprehensive knowledge management system will benefit the joint programme's efforts in creating awareness and knowledge and information sharing.

**Lessons Learned Common to the Education, Health, WATSAN Sectors and National Statistics System:**

The sectoral reviews conducted during I-PSM Phase I highlight the following common lessons learned and recommendations:

*Structure and Management:*
1.     The Iraqi state can benefit from work on deciding its core functions -and the functions Government seeks to devolve or outsource to private partners and civil society. These decisions will then help clarify the roadmaps in the three sectors;
2.     There is strong need for capacity development at the institutional as well as individual level in line ministries dealing with critical sectors of education, health and water and sanitation. Strategic policy issues need to be addressed, organisational structure and processes reformed and strengthened, and human resources developed to meet the evolving needs and aspirations of the people;
3.     Further development of the Iraqi national statistics system will provide vital data and information for planning processes;
4.     E-Governance has gained impressive momentum in Iraq. It is critical to enhanced internal inter-connectivity and service-to-the public. The e-Governance Action Plan and e-Education, e-Health and e-Municipalities Road Maps should be integrated in the development of a National Public Sector Modernisation Strategy.

*Civil Society Engagement and Service Delivery:*
1.     Limited space and tradition for involvement of civil society and private sector in the legislative process and policy making – disconnect between the state and citizens;
2.     All sectors need new service delivery models, which will deploy the private sector and civil society organizations. Line ministries need to build capacity to undertake pragmatic, participatory and evidence based planning, effective execution and monitoring and evaluation of their plans;
3.     The education and health sector service delivery models need to be decentralised, e.g. School Based Management, university autonomy and Family Health Model;
4.     Service delivery models need to publicise service standards for the citizen, be customer focused, and encourage citizen feedback on services;
5.     Over the medium-term, policy and planning functions should remain at the centre with day-to-day delivery functions being progressively devolved. Simultaneously, capacity of local governance institutions at the institutional and individual level need  strengthening, especially in the areas of planning, programme implementation, monitoring and promoting participatory processes;
6.     While Iraq has made significant gains in achieving its MDG targets in certain sectors, there is urgency to better address the needs of vulnerable populations in the process of policy development, planning and implementation. Education, health and water and sanitation sectors need to adopt inclusive policies and programmes for increasing access to services for the vulnerable such as women, illiterates, youth, senior citizens, persons with disability, particularly those in rural and remote areas;
7.     There is extensive space for work on gender equity, gender responsive planning and budgeting and gender mainstreaming. For this purpose GoI requires better gender disaggregated data to inform policy, planning and resource allocation;
8.     There is urgent need to address the serious problems of youth, specifically their education, training, employment and participation.

## VI. INDICATOR BASED PERFORMANCE ASSESSMENT

| | Performance Indicators | Indicator Baselines | Planned Indicator Targets | Achieved Indicator Targets | Reasons for Variance (if any) | Source of Verification | Comments (if any) |
|---|---|---|---|---|---|---|---|
| **Outcome 1 :Strengthened institutions, processes and regulatory frameworks of national and local governance** | | | | | | | |
| **Output 1:**<br><br>GoI is better able undertake Public Sector Modernization at national, regional and governorate levels. | 1.1.1. Support GoI in establishing a National PSM Task Force | No | National PSM Steering Committee is in place | Yes | - | ToR for NPSMSC and minutes of the meeting | . |
| | 1.1.3. Women form at least 30% of the membership of Task Force and working groups | Zero | 30 percent of members are women | 10 percent | - | ToR for NPSMSC | Persuasion for inclusion of more women members is continued. |
| | 1.1.4. Women issues represent at least 30% of the agenda of the Technical Assistance to the PSM Task Force | Zero | 30 percent of agenda are women issues | NA | - | - | - |
| | 1.1.5 Parliamentary sub-committee on PSM in place | No | Yes | No | Hasn't been established | | To be established once the GoI's PSM strategy in place. |
| | 1.1.7 National I-PSM Strategy in Place | No | Yes | No | Delay in Government formulation | - | Draft inputs for the PSM Strategy shared with GoI |
| **Output 2**<br><br>GOI has capacities for improved public administration systems | 1.2.1 National e-Governance Strategy reviewed in line with improved public administration systems | Existing e-gov draft | e-gov strategy update | Yes e-gov strategy update | | e-gov strategy update | |
| | 1.2.2 Special requirements for senior executive service merit-based recruitment, performance systems formulated | No | Yes | Draft SES Policy shared with GoI | Policy decision awaited | - | |

| | Performance Indicators | Indicator Baselines | Planned Indicator Targets | Achieved Indicator Targets | Reasons for Variance (if any) | Source of Verification | Comments (if any) |
|---|---|---|---|---|---|---|---|
| | 1.2.3 National budget is gender responsive | NA | Yes | Partially | - | - | |
| **Output 3:**<br><br>GOI has reform and modernization plans in place for targeted sectors | 1.3.1 GOI Health Sector has reform and modernization plans in place. | 0 | Road map for health sector reform and modernization plans formulated. | Yes health sector road map formulated | | Roadmap | Will be part of GoI's PSM strategy |
| | 1.3. 2 GOI Education, TVET and Higher Education Sectors have reform and modernization plans in place | None | Road map for education and higher education sector reform and modernization plans formulated | Yes education and higher education road map formulated | | Roadmap | Will be part of GoI's PSM strategy |
| | 1.3.3 GOI Domestic Water Supply and Sanitation Services Sector has reform and modernization plans in place. | None | Roadmap for domestic water supply and sanitation sector reform and modernization plans formulated | Yes domestic water and sanitation road map formulated | | Roadmap | Will be part of GoI's PSM strategy |
| | 1.3.4 GoI is provided with review of aggregate, cross-cutting structural issues to enable fiscal and administrative decentralized service | None | Aggregate, cross-cutting structural issues are identified and reviewed to enable fiscal and administrative decentralized service delivery | Yes cross-cutting structural issues identified | | Synthesis of Function reviews Report | Will be part of GoI's PSM strategy |
| | 1.3.5 GOI is provided with options for citizen participation and public-private partnerships for enhanced service delivery | None | Number of functional reviews that include options for public-private partnerships for service delivery | Yes | | Functional Review Reports | Will be part of GoI's PSM strategy |
| **Output 4:**<br><br>Decentralized Service Delivery Improved in Target Sectors with Local Governance and Participation | 1.4.1 Local Government has strengthened organizational structures and mechanisms to undertake decentralized service delivery | None | Number of governorates undergone organisational review for decentralized service delivery | Assessments made, work plan prepared and the implementation will take place in Phase II | - | Assessment Reports | |

| | Performance Indicators | Indicator Baselines | Planned Indicator Targets | Achieved Indicator Targets | Reasons for Variance (if any) | Source of Verification | Comments (if any) |
|---|---|---|---|---|---|---|---|
| Enhanced | 1.4.2 Select governorates have mechanisms for improved citizen participation in decentralized service delivery | None | Public Perception of local government survey completed | Survey completed | - | Survey report | Assessments made, work plan prepared and the implementation will take place in Phase II |

## Appendix 2

## Acronyms

| | | | |
|---|---|---|---|
| AWPs | Annual Work Plans | IHEC | Independent High Electoral Commission |
| CCA | Common Country Assessment | ILO | International Labour Organization |
| CHF | An International NGO | INGO | International Non-Governmental Organisation |
| CoR | Council of Representatives | IMF | International Monetary Fund |
| COS | Central Office of Statistics | IOM | International Organization for Migration |
| COSIT | Central Office of Statistics | IRFFI | Iraq Reconstruction Fund Facility for Iraq |
| CP | Country Programme | ITF | Iraq Trust Fund |
| CPAP | Country Programme Action Plan | JICA | Japan International Cooperation Agency |
| CPAP MTR | Country Programme Action Plan-Mid-Term Review | KRG | Kurdistan Region |
| CPD | Country Programme Document | KRSO | Kurdistan Regional Statistics Office |
| CPR | Conflict Prevention and Reconciliation | LADP | Local Area Development Programme |
| CSR | Corporate Social Responsibility | M&E | Monitoring and Evaluation |
| CSOs | Civil society organizations | MDGs | Millennium Development Goals |
| DFID | UK Department for International Development | MMPW | Ministry of Municipalities and Public Works |
| DRM | Disaster Risk Management | MNFI | Multi-National Forces in Iraq |
| EAD | Electoral Assistance Division (UNAMI) | MoA | Ministry of Agriculture |
| ERP | Enterprise Resource Planning | MoCH | Ministry of Children |
| ERW | Explosive Remnants of War | MOD | Ministry of Defence |
| ESCWA | Economic and Social Commission for Western Asia | MOE | Ministry of Electricity |
| FACE | Fund Authorization and Certificate of Expenditure | MoEnv | Ministry of Environment |

| | | | |
|---|---|---|---|
| FAO | Food and Agriculture Organization | MoEn | Ministry of Energy |
| GBV | Gender Based Violence | MOF | Ministry of Finance |
| GFATM | Global Fund to Fight AIDS, TB and Malaria | MOFA | Ministry of Foreign Affairs |
| GHG | Green House Gas | MOH | Ministry of Health |
| GMS | General Management Support | MOHE | Ministry of Higher Education |
| GoI | Government of Iraq | MoHR | Ministry of Human Rights |
| HACT | Harmonized Approach for Cash Transfers | MoI | Ministry of the Interior |
| HIV | Human Immunodeficiency Virus | MoIM | Ministry of Industry and Minerals |
| HJC | High Judicial Council | MOJ | Ministry of Justice |
| ICAO | International Civil Aviation Organization | MOLSA | Ministry of Labour and Social Affairs |
| ICSC | International Civil Service Commission | MoMPW | Ministry of Municipalities and Public Works |
| IGO | Intergovernmental Organisations | MOP | Ministry of Planning |
| MOP-KRG | Ministry of Planning-Kurdistan Region | UNCT | United Nations Country Team |
| MOT | Ministry of Trade | UNCTAD | United Nations Conference on Trade and Development |
| MOWA | Ministry of Women's Affairs | UNDAF | United Nation Development Assistant Framework |
| MOWR | Ministry of Water Resources | UNDG | United Nations Development Group |
| MoYS | Ministry of Youth and Sports | UNDP | United Nations Development Programme |
| MTR | Mid-Term Review | UNEP | United Nations Environment Programme |
| NDP | National Development Plan | UNESO | United Nations Educational, Scientific and Cultural Organization |
| NDS | National Development Strategy | UNESCWA | Economic and Social Commission for Western Asia |
| NIM | National Implementation Modality | UNFCC | United Nations Framework Convention on Climate Change |
| NGOs | Non-governmental organization | UNFPA | United Nations Population Fund |

| | | | |
|---|---|---|---|
| NHDR | National Human Development Report | UNHABITAT | United Nations Agency for Human Settlements Providing Adequate Shelter For All |
| Non-UN | Non United Nations | UNICEF | United Nations Children's Fund |
| OCHA | Office for the Coordination of Humanitarian Affairs | UNIDO | United Nations Industrial Development Organization |
| ODA | Official Development Assistance | UNIFEM | United Nations Fund for Women |
| OECD | Organization for Economic Cooperation and Development | UNOPS | United Nations Office for Project Services |
| PM Advisory Council | Prime Minister's Advisory Council | UNSCR | United Nation Security Council Resolution |
| PM's Office | Prime Minister's Office | US | United States |
| PSM | Public Sector Modernisation | USAID | United States Agency for International Development |
| PWGs | Programme Working Groups | WFP | World Food Programme |
| RRF | Results and Resources Framework | WHO | World Health Organization |
| SBAA | Standard Basic Assistance Agreement | | |
| SIDA | Swedish International Development Cooperation Agency | | |
| SME | Small and Medium Enterprises | | |
| SOTs | Sector Outcome Teams | | |
| Sq Km | Square Kilometres | | |
| TB | Tuberculosis | | |
| UN | United Nations | | |
| UNAMI | United Nations Assistance Mission in Iraq | | |
| UNAMI-EAD | United Nations Assistance Mission in Iraq-Electoral Assistance Division | | |
| UNAMI-HRO | United Nations Assistance Mission in Iraq- | | |

|             | Human Rights Office                          |
| UNAMI-Pol   | United Nations Assistance Mission in Iraq - Political Section |
| UNCAC       | United Nations Convention against Corruption |