**UNITED NATIONS DEVELOPMENT GROUP**
**IRAQ TRUST FUND**
**Programme Cover Page**

| **Participating UN Organisation(s):** | **Sector Outcome Team(s):** |
|---|---|
| Phase 1: UNDP (Lead Agency), WHO, UNICEF, UNESCO, UN-HABITAT<br>Phase 2: to be reviewed and confirmed | Governance |

**Programme Manager(s): acting**

**Name:** Sylvia Fletcher
**Telephone:** +962 6 560 8365
**E-mail:** sylvia.fletcher@undp.org

**Sector Outcome Team Leader(s):**

**Name:** Sylvia Fletcher (SOT lead)
**Telephone:** +962 6 560 8365
**E-mail:** sylvia.fletcher@undp.org

**Name:** Niels Guenther (SOT deputy lead)
**Telephone:** +962 79 5549056
**Email:** NielsG@unops.org

| **Programme Title:** | **Programme Number:** |
|---|---|
| **Iraq Public Sector Modernisation (I-PSM) Programme** | C9-29 |

## Programme 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. Under the aegis of this programme the UN will bring to bear its global network of technical capacities to ensure that the latest methodologies and technology are available to Iraq in its pursuit of reform and modernisation. The programme design has been shaped by analytical and diagnostic work alongside participatory workshops, stakeholder meetings and donor group discussion. The programme will initially be implemented across government and within the following three key social service sectors that most significantly impact the achievement of the Millennium Development Goals: health, education, and domestic water supply and sanitation. By focusing on social service delivery, the Government can show the people that public sector reform has concrete and tangible benefits for the population as a whole. The programme will be fully coordinated with reform initiatives of bilateral assistance providers and with the Private Sector Development (PSD) joint programme of the UN, particularly with a view to formulating appropriate, next generation sectoral reforms to build on relevant policy development of the PSD. The programme is funded herein for a period of 48 months and will be led by a Government Public Sector Modernisation Task Force (PSM-TF). The programme will be comprised of two Phases, with transfers to Participating UN Organizations done in two tranches. Phase 1 constitutes preparatory and start up work, including baselines and assessments, to enable government to formulate and undertake a reform and modernization process, culminating in formulation by government of a Public Sector Modernisation Strategy. During Phase 1, UNDP will lead overall programme operations with sectoral leads provided by WHO, UNICEF, UNESCO and UN-Habitat. UNFPA, UNESCWA, UNIFEM and UNOPS will participate through interagency agreements to implement specified outputs according to their mandates and capacities. At the end of Phase 1, a proposal for the Phase 2 work plan, budget and agency

roles will be presented to the programme Steering Committee, for onward consideration and approval by the UNDG ITF Steering Committee. The content of Phase 2 will be informed by the results and agency performance of Phase 1, as documented in an external evaluation.

| **Programme Costs:** | | **Programme Location:** |
|---|---|---|
| **UNDG ITF:** | US$55,000,000 | **Governorate(s):** National Programme |
| **Govt. Contribution:** | To be confirmed | **District(s):** |
| **Agency Core:** | | |
| **Other:** | | **Town(s):** |
| **TOTAL:** | US $55,000,000 | |

| **Govt of Iraq Line Ministry Responsible:** | **Programme Duration:** | |
|---|---|---|
| Public Service Council, COMSEC, PMAC, MoPDC, MoPDC-COSIT, MoH, MoE, MoHESR MMPW | Total # of months: | 48 Months |
| | Expected Start date: | 1 April 2010 |
| | Expected End date: | 31 March 2014 |

| **Review & Approval Dates** | |
|---|---|
| **Line Ministry Endorsement Date:** | 17 August 2008 and 5 October 2009 |
| **Concept Note Approval Date:** | 11 March 2009 – revised 28 Sept 2009 |
| **SOT Approval Date:** | 4 October 2009 –revised 24 Jan 2010 |
| **Peer Group Review Date:** | 22 February 2010 |
| **ISRB Approval Date:** | 25 March 2010 |
| **Steering Committee Approval Date:** | 11 April 2010 |

**Signatures of Agencies and Steering Committee Chair**

| | | |
|---|---|---|
| **I.** | **Name of Representative** | Paolo Lembo |
| | **Signature** | |
| | **Name of Agency** | UNDP |
| | **Date** | 21/04/10 |
| **II.** | **Name of Representative** | Hassan Elbushrah |
| | **Signature** | |
| | **Name of Agency** | WHO |
| | **Date** | |
| **III.** | **Name of Representative** | Sikander Khan |
| | **Signature** | |
| | **Name of Agency** | UNICEF |
| | **Date** | 21 April 2010 |
| **IV.** | **Name of Representative** | Mohamed Djelid |
| | **Signature** | |
| | **Name of Agency** | UNESCO |
| | **Date** | 21 April 2010 |
| **V.** | **Name of Representative** | Doudou Mbye |
| | **Signature** | |
| | **Name of Agency** | UN-Habitat |
| | **Date** | 21.04.10 |
| **VI** | **Name of Steering Committee Chair** | Christine McNab |
| | **Signature** | |
| | **Date** | 28/4/10 |

**Iraq Public Sector Modernization (I-PSM) Programme**

## STRATEGIC FRAMEWORK AND COUNTRY STRATEGY OUTCOME

The proposed Public Sector Modernization (I-PSM) Programme supports the attainment of the (i) National Development Strategy (NDS) (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:

***National Development Strategy***:
Goal 1: Mitigate Poverty and Hunger
Goal 2: Good Governance
Goal 3: Enhancing gender equity and strengthening women issues

***International Compact with Iraq:***

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 (modernization) 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

***UN Assistance Strategy:***

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

***Sector Outcome Team:***
Outcome 4: Strengthened institutions, processes and regulatory frameworks of national and local governance

***Integrated Programme Outcome:***
Strengthened institutions, processes and regulatory frameworks of national and local governance

**Detailed Breakdown of Budget by Source of Funds and Distribution of Programme Budget by Participating UN Organisation**

| **Phase 1: Participating UN Organisation** | **Phase 1: Tranche 1** | **Phase 2: Participating UN Organisation** | **Phase 2: Tranche 2** |
|---|---|---|---|
| UNDP | 5,000,000 | **To be determined** | **To be determined** |
| WHO | 2,000,000 | | |
| UNICEF | 2,600,000 | | |
| UNESCO | 2,000,000 | | |
| UN-Habitat | 2,000,000 | | |
| UN-FPA | Inter-agency agreements | | |
| UNESCWA | Inter-agency agreements | | |
| UNOPS | Inter-agency agreements | | |
| UNIFEM | Inter-agency agreements | | |
| **Total ITF Budget (US $)** | **13,600,000** | | **41,400,000** |

*** Includes inter-agency agreements with partner agencies**

| | |
|---|---|
| **Total budget (in US $):** | $ 55,000,000 |
| **Sources:** | |
| • Government | $ |
| • ITF (earmarked Multi Donor – non-earmarked – Interest funds) | $ 55,000,000 |
| **UN Core/non-core sources** | |
| • UN Org | $_____ |

# EXECUTIVE SUMMARY

## I. Background

Since 2003, the Government of Iraq (GoI), supported by the international community has committed billions of dollars to transition towards a democratic, representative, decentralised and service delivery oriented state. Yet, whilst much effort has been placed on securing the political and security transition, many aspects of the socio-economic transition are only now beginning to be addressed in a more structured way. The Iraq-Public Sector Modernisation programme is proposed to initiate a vital modernisation process, a process that may take up to 10 years to complete: modernising the institutions of state to deliver poverty reducing and economic growth enabling services. At a proposed cost of US$55 million this programme is expected to show a positive social and economic rate of return, and also bring service delivery to levels of government where it is best transacted, and in an effective, efficient and accountable way. This programme will also create the enabling environment for the attainment of Poverty Reduction Strategy targets and the other national development goals. It will enable more impact for the myriad projects implemented in many sectors and locations across Iraq, by improving the overall performance of government institutions, and creating mechanisms for increased accountability and stakeholder participation in government service delivery.

The National Development Strategy (NDS), supported by the International Compact with Iraq (ICI), provides a clear commitment to strengthening public sector, civil service and economic management to enhance service delivery through improved participation in policy-making, planning and execution. Nevertheless, as yet no formal, comprehensive public administration and civil service reform programme has been adopted by the GoI. Plans to decentralise delivery have not progressed due to a poorly coordinated devolution process, ill-defined roles and responsibilities and the continued existence of highly centralised functional structures of governance. The establishment of the Public Service Council provides a cornerstone around which whole-of-government and sector-wide reforms can be developed. The I-PSM programme therefore aims at creating an enabling environment for modernization; strengthens civil service management and provides a framework for the functional restructuring of key sectors towards enhanced service delivery by national, regional and local government.

## II. The Iraq Public Sector Modernization (I-PSM) Programme

The I-PSM programme is a US$55 million Joint Programme of the UN established to support the GoI in modernizing its public sector. The programme will address existing public sector governance constraints through a government-led, centrally administered and coordinated approach that ***(i)*** fosters an enabling environment for service delivery based reform ***(ii)*** supports rationalisation of the architecture and machinery of government ***(iii)*** improves human resource management and culture through modernising the civil service ***(iv)*** enhances administrative functionality ***(v)*** develops clearly defined and costed service delivery models in core sectors ***(vi)*** approaches decentralisation through a service delivery lens and on a sector-by-sector basis and, ***(vii)*** increases the decentralisation of service delivery to secure accountability, transparency and effectiveness, through participatory local governance, 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.

The programme design has been shaped in full consultation with the Government of Iraq by external analytical and diagnostic work to outline reform and restructuring options; to strengthen medium term budget management considerations; to better integrate policy, planning and budgeting processes. These have been UN supported consultative workshops, stakeholder meetings and donor group discussions. The programme will initially be implemented across government and within the following three key social service sectors that most significantly impact the achievement of the Millennium Development Goals: health, education, and domestic water supply and sanitation. By focusing on social service delivery, the Government can show the people that public sector reform has concrete and tangible benefits for the population as a whole. The programme will be fully coordinated with reform initiatives of bilateral assistance providers and with the Private Sector Development (PSD) joint programme of the UN, particularly with a view to formulating appropriate, next generation sectoral reforms to build on relevant policy development of the PSD. Coordination frameworks within I-PSM will complement and strengthen existing institutional and governmental donor coordination mechanisms. There will be a Programme Steering Committee that coordinates implementation of the programme, but in terms of sectoral coordination, the UN participating agencies will fully partner with existing national mechanisms. The programme is funded herein for a period of 48 months and will be led by a Government Public Sector Modernisation Task Force (PSM-TF). UNDP will lead overall programme operations with sectoral leads provided by WHO, UNICEF and UNESCO. UNFPA, UN-Habitat, UNIFEM and UNESCWA will implement specified outputs

according to their mandates and capacities, and operational support will be provided by UNOPS. Extensive use of inter-agency agreements will enable the fullest possible use of all available UN resources and experience.

While the modernisation of the public sector with decentralised local governance programme may take up to 10 years to complete, the I-PSM will introduce and anchor a reform and modernisation process that can be continued by the GoI as an internal change management process. The I-PSM programme also benefits and is fully coordinated with a preparatory phase to lay the foundation for sectoral entry points, and sectoral selection. A description of the programme is provided in Section 4.

In addition to coordination with the ongoing Private Sector Development (PSD) programme, the programme will support the work of various UN Sector Outcome Teams. In particular, it will enable and enhance other projects of UN agencies by improving the overall performance of the government counterparts, and increasing the mechanisms for accountability and participation across the government institutions whose work is directly relevant to achievement of the Millennium Development Goals. The impact on ordinary Iraqis will be felt through the enhanced capacity for social service delivery at the governorate level. The programme will involve the active participation of civil society, will be supported by sector based e-Governance work and will fully integrate cross cutting issues in relation to poverty, gender, social exclusion and environment.

The programme will be comprised of two Phases, with financial transfers to Participating UN Organizations done in two tranches. Phase 1 constitutes preparatory and start up work to enable government to formulate and undertake a reform and modernization process, culminating in formulation by government of a Public Sector Modernisation Strategy. The support to government for development of the Public Sector Modernisation Strategy will be based on full consultation both inside and outside the Government and will include a baseline and needs assessment. During Phase 1, UNDP will lead overall programme operations with sectoral leads provided by WHO, UNICEF, UNESCO and UN-Habitat. UNFPA, UNESCWA, UNIFEM and UNOPS will participate through interagency agreements to implement specified outputs according to their mandates and capacities. Phase 1 is expected to be concluded by the end of the first year of the programme, (March 31, 2011), as reflected in the programme work plan. The change of government in 2010 may affect the timetable for Phase 1, however considerable technical work is already under way by government, and this forms the basis for the programme. Phase 2 constitutes support for implementation of the government's Public Sector Modernisation Strategy. At the end of Phase 1, a proposal for the Phase 2 work plan, budget and agency roles will be presented to the programme Steering Committee, for onward consideration and approval by the UNDG ITF Steering Committee, and disbursement to the respective agencies, according to the approved content of Phase 2. The content of Phase 2 will be informed by the findings and agency performance of Phase 1. An external evaluation will be conducted of Phase I as a condition of approval of Phase II of the programme. The evaluation will be done toward the end of Phase I in such a way that there is no gap in the activities, technical assistance and support to government of Phase I and Phase II.

A preparatory phase of the I-PSM programme is being financed from another UN Development Group Iraq Trust Fund (ITF)-funded project ("Support to Decentralisation and Local Governance for Service Delivery in Iraq – Phase I" Project C9-24), which has been under implementation since December 2008. Using the findings of the preparatory phase, the I-PSM will assist the GOI to develop a Public Sector Modernisation Strategy, aligned with the National Development Plan. This strategy will form the "blue print" for implementation of the I-PSM Joint Programme, and will guide the development of detailed work plans, according to the general output areas specified in the present Programme Document. The I-PSM Strategy is expected to be presented by the government's Public Sector Modernization Task Force to the Council of Ministers, and for the purposes of integration into the present programme of assistance, it will be adopted by the I-PSM Programme Steering Committee, thus ensuring that the UN support under the I-PSM joint programme is fully aligned with the government's Strategy. The composition of the Task Force and programme Steering Committee is described in Section 6 of this programme document, "Management and Coordination Arrangements".

## III. Programme Significance and Relevance

The need for public sector modernisation has never been greater, following years of conflict, the destruction of public infrastructure, reduced access to basic and essential services such as health care, education, and domestic water supply and sanitation, increased public sector staffing and escalating recurrent costs, poorly structured government architecture and machinery, low personnel management and fiduciary standards and poor policy and budget management processes. Moreover, in the absence of a central point within government where public administration and civil service reforms are

integrated with public finance management, weak institutional capacities are likely to impede progress in policy execution and the delivery of basic and essential services. The enactment of laws enabling a centrally driven approach to enhanced service delivery, linked to administrative restructuring in support of decentralisation and local governance provides a vital entry point to meet the government's medium to long term goals, as described in the National Development Strategy and International Compact with Iraq.

This joint programme is framed within the needs jointly identified with the GOI and representatives of civil society in preparation of the Common Country Assessment (CCA), which underpins a new four-year Government and UN agreement. The joint programme is consistent with the emerging guidance on state building, which advocates for international assistance to help develop the legitimacy, authority and capacity of the state to perform its core functions and deliver services to its people. The billions of dollars of foreign assistance spent in Iraq since 2003 have not yet changed the capacity of government to use Iraq's rich traditions, culture, human resources and oil wealth for development in the 21st century, and for Iraq to recover the leadership role it should take in the region.

A concerted, holistic, comprehensive approach to capacity development of government is necessary and is timely. This effort could not have been undertaken in 2003, or 2005 or 2008. It can be launched now, and will enable the newly formed government in 2010 to have a tool for undertaking the transformation of Iraq's government institutions. The sectoral reform of the programme focuses on those services with the greatest impact on the achievement of the Millennium Development Goals (MDGs), in response to the UN's mandate to support government to achieve these globally-agreed development goals. Education, health and domestic water supply and sanitation are services that impact the well-being of every family in Iraq, and also represent a significant proportion of the civil service payroll and of government expenditure.

**Box 1: Excerpts from the Prologue to the UN's Common Country Assessment 2009**

Two years ago, Iraq showed little prospect of being ready in any near future to embark on a process of long term development. The impact of recent violence was too immediate and widespread, and the political climate too fragile. Therefore, the formulation of the new National Development Plan and the UN's Common Country Assessment (CCA) are a testament to the progress Iraqis have made toward peace. Within this overall context, the UN identified three key thematic areas for UN development assistance: Governance, Inclusive Growth and Ensuring Quality Essential Services. The thematic areas were selected in partnership with GoI because of their direct relationship to Iraq's accelerated achievement of the Millennium Development Goals (MDGs) and their strong causal link to peace consolidation priorities delineated within the NDP.

In the CCA, the key factors considered within **Governance** are (i) issues with the legitimacy of the state; (ii) Rule of Law (RoL), security and application of human rights principles; and (iii) capacity of the state to perform its functions. Causal relationships were identified between governance stakeholder capacity gaps and a challenging politico-security climate for open, participatory governance involving state and civil sectors, political blocks to legislative reform, lack of structural logic within ministries that would allow skills training to take root, undefined relationships between central and local governance, a decline in skilled professional cadre for a range of state, security and RoL functions and lack of best practices for restructuring and reform initiatives.

Key factors considered within **Ensuring Quality Essential Services** are (i) the right to education; (ii) the right to health; (iii) the challenge of social protection; and (iv) improving availability and quality of key housing and other infrastructure and ensuring environmental sustainability of services. Causal relationships were identified between essential services stakeholder capacity gaps and the long-term impact of conflict and sanctions on services investment, weak national-local relationships regarding service delivery, human capital and skills drain over three decades, socio-cultural habits of gender marginalization, politicized marginalization of specific groups or areas, a weak culture of social participation in demand for services and good governance, poor mainstreaming of human rights knowledge, corruption and the significant policy and practical challenges of environmental change and population growth.

Learning lessons from its past investment in Iraq, the UN's comparative advantage does not lie in its resources but in its impartiality and international legitimacy, technical knowledge resources, normative & human rights-based values and capacity as a convener. Regarding technical support, the UN should focus not on large capital investments or small, disconnected projects, but structure itself as a centre of knowledge to assist the GoI in scaling up its own development agenda - bringing the necessary capacity and skills, and enabling the GoI to maximize its own use of resources towards self-sufficiency.

## IV. Contribution to Iraqi National Development

The government's National Development Strategy foresees the role of government as the enabler of private sector driven growth and poverty reduction, with a core role in delivering basic and essential services. Yet in the absence of the

functional restructuring of ministries and departments and fully costed service delivery models such a vision may never be achieved. The I-PSM programme therefore contributes to meeting Iraq's national development objectives not just through the creation of an enabling environment but also through linking policy management and service delivery with civil service and administrative reforms at the sectoral, and therefore sub-national levels.

This programme will support a process that will have a significant impact on the lives of Iraqis and on the capacity of the state to enable peace and deliver services. The first generation of reforms focuses on delivery of the essential social services (health, education and domestic water supply and sanitation) that are the core factors for human development of the next generations, and whose benefit will touch everyone in Iraq.

The Joint Programme was developed in close consultation with government. A process of brainstorming, convened by the Ministry of Planning and Development Cooperation, and chaired by the Secretary General of the Council of Ministers, produced a guidance note in December 2008 for Public Sector Reform and Decentralisation. Participation in this brainstorming was at the Deputy Minister level. Based in this guidance and agency consultations, a first draft was produced by a large group of UN agencies, under the leadership of the Governance Sector Outcome Team in March 2009. It was determined that additional diagnostic work was required, and expert consultants were engaged by the UN Resident Coordinator's office. The consultants were located by government in an office in the Secretariat of the Council of Ministers, enabling substantial consultations with government. A series of "Issues and Options" papers were produced and discussed with government, donors and the UN Country Team over the period of June to August 2009. Led by the UN Resident Coordinator, a.i., a series of high level consultations were undertaken with the Ministry of Planning and Development Cooperation, the Secretariat of the Council of Ministers and the Prime Minister's Advisory Council. The result was an endorsement letter jointly signed by the Council of Ministers Secretariat (COMSEC) and the Prime Minister's Advisory Council, attached as Annex B. Following the diagnostic work and these additional consultations with government, and second draft Programme Document was produced and approved by the Governance Sector Outcome Team and submitted to the Steering Committee Support Office of the Iraq Trust Fund in October 2009, in accordance with Iraq Trust Fund guidelines.

Under the aegis of this programme the UN will bring to bear its global network of technical capacities to ensure that the latest methodologies and technology are available to Iraq in its pursuit of reform and modernisation.

## V. Expected Outcome and Outputs

In line with the UN Assistance Strategy for Iraq 2008-2011, the outcome 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. This is to be achieved through the following five outputs:

(i) GoI is better able undertake Public Sector Modernization at national, regional and governorate levels;
(ii) Civil service capacities strengthened for reform and modernisation;
(iii) GOI has capacities for improved public administration systems;
(iv) GOI has reform and modernization plans in place for targeted sectors; and,
(v) Decentralized service delivery improved in target sectors with local governance and participation enhanced.

## VI. Implementation and Coordination Arrangements

The programme will be implemented in accordance with a Memorandum of Understanding (MoU) between the Government of Iraq and the United Nations; thereby detailing strategy, implementation, coordination and monitoring arrangements and the commitments from each party. The programme will be led and coordinated by a national I-PSM Task Force, a National Working Group and Ministerial Advisory Committees at the sectoral level; and Governorate-level Task Forces in selected governorates. The programme will develop a government national programme with detailed annual work plans outlining benchmarks and the overall monitoring framework.

## VII. Risks, Feasibility and Assumptions

The I-PSM programme is essential to meet national development objectives, however its implementation remains contingent on overcoming a number of risks and operational constraints, as well as meeting certain assumptions. These primarily relate to (i) continuing insecurity (ii) lack of consensus on how to tackle such a large reform agenda (iii) poor data and information regarding ministry structures and staffing (iv) confusion over central and sub-national service delivery roles and responsibilities (v) weak donor coordination in this area and (vi) the fact that whilst being initiated through this programme, it is likely to take up to10 years to yield substantive impact. To mitigate these risks,

procurement procedures will be selected to minimise disruption due to insecurity, a government driven and UN/Donor supported task force is to be established, information will be gathered through functional review exercises, service delivery models will be iterated, donor coordination will be established and focused to support effective delivery, and the programme will focus as much on developing the framework on future impact as on immediate service delivery enhancements. Key programme assumptions include effective government leadership and ownership, and government support of an enabling environment for reform.

### VIII. Budget and Financing

The I-PSM programme is proposed to be co-financed with government as follows: US$55 million from the Iraq Trust Fund (ITF) and US$40 million from government. The funding from government is expected to be determined as part of the formulation of the government Public Sector Modernisation Strategy, and it is expected to be included in the national budget in the fiscal periods immediately following the adoption of the Strategy. The programme herein proposes the funded activities for the ITF-funded components and is limited to three or four sectors, with expansion to rely on securing counterpart funding from government. ITF finances will be committed to support the Joint Programme, and the participation of UN agencies, funds and programmes, as specified in the Programme Document. GoI funding will be provided to expand the coverage of the programme to additional sectors, as determined in the government's Strategy. GoI funding will be committed through the treasury system, and is expected to support the Public Service Council and e-Governance activities in particular. GoI financing will cover both recurrent and capital investments including equipment to support the sectoral rollout of e-governance strategies.

Inter-agency agreements will be developed between any or all technical agencies with UNOPS, to support implementation of the programme, to reflect a detail of such sub-activities and support services and the required budget allocation. The standard MOUs between agencies will be utilised for this purpose.

## 2. SITUATION ANALYSIS

#### BACKGROUND

Prior to the 1991 war, Iraq was highly regarded within the Middle East for its superior public sector management capabilities, a highly competent and well-trained cadre of civil service expertise and a strong emerging economic policy and social welfare programme. Whilst substantial institutional capacities still exist in many areas, the impact of years of war and international isolation has led to ***(i)*** under-investment in core areas of public service management ***(ii)*** reduced civil service management capacities ***(iii)*** the doubling of public sector staffing given lack of alternative employment opportunities ***(iv)*** constraints in delivering basic and essential services ***(v)*** overlapping and in some cases obsolete functions ***(vi)*** extremely low levels of e-governance and automation ***(v)*** lower fiduciary standards and increased corruption and ***(viii)*** weak public sector and economic governance in general. These constraints limit service delivery effectiveness and efficiency.

Since 2003 various efforts have been initiated to deliver support for civil service and public administration reform but this has been insufficient to bring about the structural changes that are urgently required to both form and function. In the absence of a formal national modernization programme that links civil service strengthening, administrative reform and restructuring and improved public finance management, government capacity to deliver services will remain structurally constrained. The main reason for lack of progress in improved public sector governance has not been due to policy intent, as the National Development Strategy and the International Compact with Iraq have set goals towards this end. The main gap has been the absence of a central focus within government around which such a modernization agenda can be mounted, and poorly articulated intentions to strengthen the periphery over the centre with the desire to bring government and services closer to people. Whilst the aims have been clear, in the absence of a structured approach that links political, administrative and fiscal restructuring through an integrated process, strengthening the role of the governorates in service delivery will not materialize.

This short section provides an overview of the contextual background around which problems are identified within the existing policy and institutional environment. In so doing this section contextualizes the challenges to be faced by looking at the situation with regard to ***(i)*** civil service legal framework ***(ii)*** civil service management capacities ***(iii)*** administrative reform and restructuring and ***(iv)*** strengthening service delivery at the sectoral level, with devolution to local government. This section also provides an overview of the UN agency engagement in relation to the sectoral interventions of the programme.

## GOVERNANCE SITUATION

For administrative purposes Iraq is divided into a Central Government (legislative, executive and judicial branches), the autonomous region of Kurdistan and eighteen governorates: (*muhafazat*) Al Anbar, Al Basrah, Al Muthanna, Al Qadisiyah, An Najaf, Arbil, As Sulaymaniyah, At Ta'mim, Babil, Baghdad, Dahuk, Dhi Qar, Diyala, Karbala', Maysan, Ninawa, Salah ad Din, Wasit and districts. Governorates are organised into districts (*qada'a*), sub-districts (*nahiyas*) and villages. There are therefore effectively four tiers of government (national, regional (Kurdistan), governorate and district) around which roles and responsibilities need to be defined.

The structure of executive functions remains highly centralized, with all policy formulation and execution mandates remaining with central government, with the exception of Kurdistan where revenue sharing arrangements and political autonomy have already been secured. Currently, government is comprised of 36 ministries, constitutional bodies, independent bodies, central government agencies and various commissions. There are also more than 195 state-owned enterprises (15 oil related, 12 transport related, 34 construction related, 38 industrial, 15 chemical, 20 consumer, 22 electrical and 39 others) whose eventual restructuring will need to be considered for reasons of economic growth and fiscal sustainability. Each Ministry operates under a law (such as an Agricultural Law, Education Law and Health Law) that lays out functions and mandates for the ministry. This is passed by parliament although there is little linkage between this law and sector policy.

Since the enactment of the 2005 Constitution, political devolution has allowed (in principle at least) elected governorate councils to share the balance of power with the centre. However, so far, the Provincial Powers Act and 2009 Budget Laws, which legislate for fiscal and administrative devolution, have failed to be implemented.[1]

## ECONOMIC SITUATION

Understanding the structure of the macro-economy is vital to determine where to strengthen government to support economic growth, poverty reduction and fiscal policy. Over the short to medium term the macro-economic outlook for Iraq remains potentially volatile, even though world oil prices have increased markedly in the second quarter of 2009.[2] From a planning point of view, a low base (US$50-60) scenario for determining fiscal futures seems logical, around which expenditure prioritization can be delivered, even though global oil prices have increased to US$70 a barrel by mid-year 2009. Since 2004 the share of oil to Gross Domestic Product has averaged over 60 per cent, oil equals ~98 per cent of formal exports and composes ~96 per cent of total budget revenue. Whilst average daily production was projected at 2.4 million barrels per day (MBPD) in 2009, 600,000 barrels per day of this total is for the domestic market. Production targets have not been met and capacity to scale up production remains limited.

Gross Domestic Product growth rates are highly correlated with global oil prices and production. As a result, and coming from a low base in 2003, real economic output benefited greatly from artificially high oil prices. GDP growth rates of 4.6, -0.7, 6.2, 1.5 and 9.8 per cent have been registered for 2004, 2005, 2006, 2007 and 2008 respectively. Whilst the sharp drop in world oil prices from an average Iraqi export price of US$95.4 per barrel in the first half of 2008 to US$40 in January 2009 has been largely offset by increased oil exports, if it were not for the availability of funds in the Development Fund for Iraq (DFI), which facilitated revenue smoothing, then financing the 2009 national budget would not have been possible based on 2009 revenues alone. Even so, to accommodate the downturn in oil revenues, various supplemental budgets have already been required in 2009, cutting expenditure from US$67.2 billion, to US$63.1 and then to US$58.8 billion. While the government budget is pegged on an export price of US$50, it is likely it will need to draw down DFI funds to cover the 2009 budget

Table 1 below summarizes key macroeconomic data for Iraq, highlighting both positive and negative trends. On the positive side fiscal surpluses have been achieved since 2004, real GDP growth rates have stabilized, the exchange rate

[1] Article 7 of the Provincial Powers Act states that the Governorate Council shall be responsible for 'Issuing local laws, instructions, by-laws and regulations to organize the administrative and financial affairs so that it can conduct its affairs based upon the principle of administrative decentralization in a manner that does not contradict the provisions of the Constitution and federal laws. It is also stated that the Governorate Councils shall prepare the provincial budget and 'monitor all the activities of the local executive authority excluding the courts, military units, colleges and institutes in order to ensure its good performance with the exception of offices under federal jurisdiction.' Of particular relevance to the structure of the planning and budgeting process, the law states that the 'Governorates identify priorities in all fields and outline its policies and strategic development plans in a manner that does not contradicts with the over-all national development'. Yet, such an approach can only be effective once the centralized planning functions of government are more fully devolved to the Governorates in a formal manner, based on costed service delivery models and on a sector-by-sector basis and certain sectors are particularly amenable to such functional restructuring.

[2] Brent crude oil prices have risen from mid US$30s per barrel in January 2009 to over US$70 per barrel in August 2009.

has been stable, debt repayment with Paris Club and non-Paris Club creditors has been successful[3], per capita incomes have substantially improved, oil exports have gradually increased, consumer prices have fallen even though fuel subsidies have been largely removed and government debt has decreased from US$101.9 billion in 2007 to US$31.8 billion in 2009. On the negative side, the current account balance is now in deficit, the DFI is being depleted to finance government spending, cuts in planned expenditures have increased substantially and levels of unemployment, whilst substantially offset by public sector staffing, remain potentially destabilizing. The need for an integrated approach to budget management and administrative reforms remains clear.

Within this economic context, public sector employment in 2003 was estimated to account for 40% of the employed, at a time when unemployment was estimated at 28%.[4] The World Bank estimated that the wage bill for public sector employment increased by 50% between 2005 and 2006[5] but by 2008 public sector employment reached 2.6 million or more. An estimated 25% of Iraqi women participate in the formal labour force, but only 1 in 10 is in a senior position.

**Table 1: Basic Macroeconomic Situation, Actual, Forecast and Projected**

| | Prelim | Prelim | Projected | | | | |
|---|---|---|---|---|---|---|---|
| | **2006** | **2007** | **2008** | **2009** | **2010** | 2013 | Source |
| **Real GDP (% change)** | 6.2 | 1.5 | 9.8 | 6.9 | 6.7 | 6.7 | (b) |
| **GDP per capita (US$)** | 1,720 | 2,109 | 3,085 | 2,673 | 2,957 | 3,823 | (a) |
| **GDP (US$ billions)** | 49.5 | 62.4 | 93.8 | 83.5 | 94.8 | 131.6 | (a) |
| **Oil Exports (in mbpd)** | 1.4 | 1.59 | 1.8 | 2.0 | 2.1 | 2.7 | (a) |
| Oil Revenues as % of GDP | 60.3 | 60.2 | 65.3 | 54.7 | 55.4 | 57.3 | (a) |
| **Consumer Prices (% change)** | **64.8** | **4.7** | **12.0** | **10.0** | **8.0** | **5.0** | (a) |
| **Current Account (% of GDP)** | **13.6** | **17.3** | **15.1** | **0.0** | **4.8** | **9.8** | **(a)** |
| **Exchange Rate** | 1467 | 1255 | 1,176 | 1,176 | -- | -- | (a) |
| **External Debt (US$ billions)** | 97.9 | 101.9 | 31.8 | 33.2 | 34.7 | 33.1 | (a) |
| **Assets Held Abroad (DFI) (US$ billions)** | 8.6 | 12.6 | 19.8 | 8.5 | 2.0 | - | (a) |
| **Unemployment (%)** | 17.6 | 17.5 | 18.3 | - | - | - | (c) |
| ***Total Public Expenditures (US$ billions)*** [6] | 34.3 | 38.4 | 66.1 | 70.9 | 77.3 | 97.5 | (a) |

Sources: (a) IMF Country Report, December 2008 (b) Word Economic Outlook, IMF, April 2009 (c) COSIT Labor Survey

Of significance to the I-PSM programme, given that financial arrangements lie at the very heart of any devolved system, plans to support inter-governmental transfers or the decentralization of service delivery will be affected by revenue shortfalls unless the costs of doing government business at the centre are substantially reduced. Given fiscal constraints and the highly centralized revenue and expenditure management arrangements, the first step would be to assess the functional relations between central and sub-national structures, to cost different service delivery options/models, to seek economies of scale and enhance allocative and operational efficiency. These are core objectives of the ongoing World Bank Public Financial Management reform project and would need therefore, to be fully integrated into sectoral I-PSM activities.

### SECTORAL SPENDING

In viewing the composition of public spending between 2005-2009 it is vital to acknowledge the impact of ***(i)*** widespread insecurity and political uncertainty ***(ii)*** high levels of unemployment and nascent private sector ***(iii)*** increased public sector employment and wage increases ***(iv)*** exceptionally high oil prices in 2007-2008 and ***(v)*** the progressive reduction of external assistance. From 2007 to 2009 the cost of salaries and pensions more than doubled reflecting the new Wage Bill and an almost 100 per cent increase in public sector staffing. Subsidies to state-owned enterprises also doubled over the same period, many of which were re-capitalized. Social benefits and grants doubled from 2007 to 2008, although in 2009 these returned to 2007 levels. The cost of goods and services more than doubled between 2007 and 2009. In summary, recurrent spending totaled ~US$24 billion in 2007, ~US$44 billion in 2008 and ~US$45 billion in 2009, or ~79, ~72 and ~78 per cent of total expenditures in 2007, 2008 and 2009 respectively.

In terms of sectoral allocations, and within the context outlined above, the doubling of recurrent costs (in particular many Public Activities)[7], against a backdrop of falling oil revenues has markedly undermined the delivery of basic and

[3] UAE cancelled Iraq's outstanding debt and most commercial debt was renegotiated between 2004 and 2006. This left an outstanding debt of US$5.2 billion by the end-2007; down from US$21.9 billion. Old debt was swapped (with an 80 percent discount) into a twenty-year bond. By end-2007, Iraq's total external debt amounted to US$103 billion, or about 165 percent o f GDP. The debt-to-GDP ratio could be reduced to a third of that figure in 2009 if agreements with all non-Paris club creditors were completed along terms similar to the 2004 agreement with Paris club creditors.

[4] CIA Economic Report Iraq 1998-2003

[5] World Bank. Briefing for the Government of Iraq (2006).

[6] IMF adjusts government expenditures to include the O&M and security costs associated with donor financed projects.

[7] Public Activities include grants, social benefits (PDS), SOE Subsidies, pensions, Kuwait war compensation, various debt settlements and interest payments, but excludes Kurdistan.

essential services both in the medium and long term. If it were not for the Development Fund for Iraq, in many cases many essential services might not have been financed at all during 2009. Chart 4 below shows the sectoral composition of recurrent and capital spending from 2007-2008 (actual) and 2009 (projected) showing the doubling of security spending from 2007 to 2009, the 27% reduction in capital spending from 2008 to 2009. Spending on health and education has tripled since 2007, although this is assumed to be largely staffing-related rather than capital investment or Operations and Maintenance (O&M) costs. In terms of expenditure composition, as shown in Table 2 below, total health spending equaled 2.8 per cent in 2008, increasing to a projected 6 per cent of total spending by 2009 which whilst a major improvement, is still only US$115/per capita which is far below the required level of investment. Education increased from 7.2 per cent to 9.9 per cent, largely due to increased staffing. Security spending increased to 16.4 per cent. Table 3 below provides a summary of actual expenditure allocations by major sector for 2008 showing for example in areas such as agriculture, health and justice very small levels of project level spending.

**Table 2: Sectoral Expenditures and Kurdistan Regional Government Transfers (%) (2008-2009)**

| | Health | Education | Security | Public Activities | Other Ministries | KRG |
|---|---|---|---|---|---|---|
| **2008** | 2.8% | 7.2% | 11.2% | 33.9% | 29.8% | 15.2% |
| **2009** | 6.0% | 9.9% | 16.4% | 17.6% | 38.1% | 12.0% |

*Source: Ministry of Finance / Geopolicity Estimates*

**Table 3: 2008 Actual Expenditure Shares (% of Total)**

| | Operating Expenditures | Projects | Total |
|---|---|---|---|
| Public Activity[8] | 47.2% | 0.1% | 33.8% |
| Other[9] | 10.3% | 35.3% | 17.4% |
| Kurdistan | 12.7% | 21.6% | 15.2% |
| Education | 9.2% | 2.0% | 7.1% |
| Electricity | 0.7% | 21.5% | 6.6% |
| Interior | 8.9% | 0.4% | 6.5% |
| Oil | 0.1% | 17.7% | 5.1% |
| Defense | 6.4% | 0.4% | 4.7% |
| Health | 3.8% | 0.4% | 2.8% |
| Agriculture | 0.3% | 0.6% | 0.4% |
| Justice | 0.4% | 0.1% | 0.3% |
| Total | 100% | 100% | 100% |

*Source: Ministry of Finance / Accounts Office/Geopolicity Estimates*

Service delivery in the governorates will need increasingly to reflect differential access to basic and essential services and as a result any sectoral reform support will need to be evidence-based and disaggregated by administrative units with regards to delivery. Whilst the budget is not yet fully disaggregated by governorate level, mapping of key household survey data demonstrates the need for targeting of services geographically, to progressively remove delivery imbalances. Moreover, in establishing service delivery models and benchmarks based on MDGs, it may be useful initially to draw on cross-national comparators (across a similar income range) alongside national statistics, to set spending levels for essential services such as health spending.

## SUMMARY OF PROBLEMS TO BE ADDRESSED BY THE I-PSM PROGRAMME[10]

Based on the results of this diagnostic and analytical work, including workshops and extensive discussion with government, Figure 1 identifies the major problems to be addressed in the area of the civil service legal framework, civil service management capacity, administrative structure and functionality and at the level of sector management and service delivery. Given that sequentially resolving these constraints is vital to improved governance in Iraq, these problems need to be overcome through a consolidated whole-of-government approach that is fully supported by

[8] Public Activity comprises US$6.6 billion Public Distribution System, US$2 billion grants, US$6.6 billion war reparations, US$2.5 billion State-Owned Enterprises and US$2.5 billion pensions.

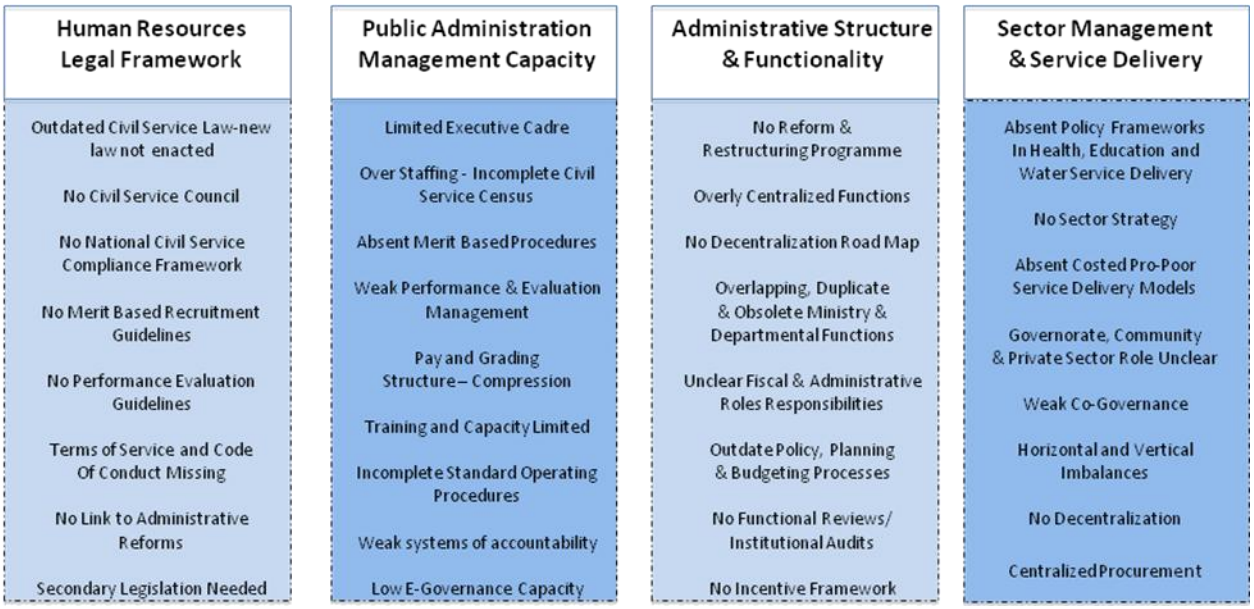
[9] Other is comprised of US$2.3 billion local council and provincial management, US$3.5 billion in other ministries expenditures.

[10] Issues and Options Papers, around which many of the key constraints to service delivery were identified, were prepared in relation to (i) public sector modernization and (ii) medium term budget management issues and these were translated to Arabic and circulated to COMSEC and the PMAC.

coordinated donor support and UN agency engagement. At the first stage, this includes working to foster an enabling environment within which change management can occur, given that currently the focus of government has been on delivery of basic and essential services rather than reforms per se and given the relative lack of experience in delivering such a programme in the current context.

Given the scale of the support required to address many of these problems, and based on international experience in similar reform and restructuring contexts, securing successful socio-economic transition is likely to take a period of up to 10 years. As a result, given that the I-PSM is being designed to cover a period of 48 months, the prioritisation and sequencing of activities to meet outputs will be based on risk aversion and impact, with the aim of establishing enduring processes of reform and also replicable models. In overcoming the many constraints therefore outline below, a step-wise approach will be adopted allowing the management culture to change over time to guarantee sustainability. A short situational overview is provided below with regard to each of these areas of concern.

**Figure 1: Iraq-Public Sector Modernisation Problem Hierarchy**




**ENABLING ENVIRONMENT**

The creation of an enabling environment for reform and modernisation is an important activity in its own right. In recent years numerous reform-related activities have been initiated as external processes, often failing in the process due to a weak enabling environment and lack of ownership. This programme, which has been jointly elaborated with government leadership, recognizes the need to strengthen the overall enabling framework for the programme including (i) parliamentary oversight functions (ii) the legislative and regulatory environment (iii) executive leadership functions and (iv) wider public participation. Strengthening the enabling environment therefore requires substantial attention both at the early phase of the programme and thereafter too.

**CIVIL SERVICE LEGAL FRAMEWORK**

Whilst numerous attempts have been made to strengthen the civil service legal framework, weak compliance due to political uncertainty and insecurity has meant that, to a large extent, efforts by GoI, supported by USAID, Tatweer, DFID/ASI, the UN and other donors have fallen short of the impact required. The current civil service law remains heavily outdated and alongside the absence of a formal function within government to contain recruitment public sector staffing at all levels of administration has doubled. Of additional concern, there is currently no single agency or Ministry responsible for managing the public service, or in designing a viable public sector reform programme and, as a result even if legislation had been passed compliance would likely have remained limited. The enactment in early 2009 of the Public Service Council (PSC) Law goes a long way towards this goal although the council has yet to be established and it is likely to lack the capacity to shape the reform process until substantial support is provided by Government and also by donors. Once established, the PSC will have to develop civil service manuals, as well as secondary legislation on Human Resources management such as allowances, performance evaluation, and reform and

restructuring procedures including functional reviews and pay and grading. This is proposed to include the creation of a Senior Executive Service designed to build a senior cadre of above grade professionals aimed as improved policy management and service delivery effectiveness. This calls for full-time technical assistance support to work with government on these issues. Recent progress by the Council of Minister's Secretariat (COMSEC) and the Prime Minister's Advisory Committee (PMAC) has led to the re-drafting of the Civil Service Law. Furthermore, the government has proposed to lead a Public Sector Modernisation Task Force for this programme which would work on both civil service and management issues, as well as issues related to administrative structures. The UN, through UNDP, will play a key secretariat function to support the government's Public Sector Modernisation-Task Force in delivering the five programme outputs (which includes the improved enabling environment as a cross-cutting output).

**HUMAN RESOURCES MANAGEMENT CAPACITY**[11]

Whilst aspects of human resources management capacity are perhaps adequate to cover many core functions, in other areas substantial support is required to enhance both civil service effectiveness and efficiency. Currently Iraqi employment is overly dependent on government, while merit-based recruitment and performance-based promotion have been undermined. Job descriptions are either lacking or do not match functions, and a human resource plan to meet the functional needs of the respective government institutions are missing. There is a general lack of accountability and efficiency in government institutions, including reliance on manual systems that have not been reviewed or updated, too many undefined points for discretion which have led to opportunities for corruption. Lack of preparation for and differences in interpretation of decentralisation, as mandated in the Constitution and the Provincial Powers Law have led to uncertainty in both policy formulation and therefore also of execution. Behavioural challenges, as a legacy from the past, related to taking initiative and assigning responsibility within the government institutions as well as in the private sector requires mentoring, while addressing capacity gaps, and strengthening policy making, planning and budgeting linkages are vital.

**Box 2: I-PSM Capacity Development Approach**

Under the Iraq-Public Sector Modernisation programme capacity development is defined as support that enhances institutional sustainability, leadership, knowledge and accountability. The I-PSM approach takes the existing capacity base in every situation as its starting point and supports national efforts to extend and retain them, building on nationally determined priorities, policies and results.

***Institutional Sustainability***: Under institutional sustainability this includes the policies, systems, and processes that organizations use to legislate, plan and manage activities efficiently and to effectively coordinate with others in order to fulfill their service delivery mandate, at the central and governorate level. Under the I-PSM this includes (i) support to the design of civil service reforms (ii) support to the design of comprehensive systems for human resource management (iii) designing incentive systems for results based management (iv) and analysis of core functions and determination of core mandates, roles and responsibilities of organizational units and their mutual interactions.

***Leadership***: Developing the leadership capacity and structure to deliver this challenging programme, including (i) support for setting policy goals, priorities and strategic approaches around which leadership roles are defined (ii) support for the development of a senior executive service (iii) facilitation through the development of risk and change management skills (iv) coaching, training and mentoring programmes and (v) support for the creation of career management systems including the incentive framework for execution.

***Knowledge***: The approach adopted here focuses on developing institutional knowledge capacities for the reform and modernisation programme including (i) advocacy and education with regard to reform strategies, their design, adoption and execution (ii) the development of training and learning methodologies for continued learning including in-service civil service training (iii) and for the establishment of regional knowledge networks to allow knowledge linkages to emerge and be sustained. Knowledge networks across government in national, regional and local levels will be enabled and developed.

***Accountability***: To foster accountability structures the I-PSM programme focuses on capacity development support (i) strengthening stakeholder feedback mechanism including through monitoring and evaluation systems (ii) developing mutual accountability systems at the national and governorate level (iii) support for public information disclosure and (iv) public policy dialogue over programme design and execution.

billion in 2008 to US$5 billion in 2009 and beyond. Its sub-national disbursement performance has been poor and because transparency and accountability checks and balances need to be strengthened, the I-PSM programme will need to be designed to strengthen both central and sub-national civil service management capacities. To address these constraints support for the establishment and capacity development of the PSC must be a central priority for the I-PSM programme – at national and sub-national levels including through the newly established Senior Executive Service. The new Public Service Commission law provides the following institutional mandate:

[11] There are large gaps in understanding of the structure of public sector employment, by budget entity, at the central, regional, governorate, district and state-owned enterprise level. A civil service survey is currently ongoing but no nominal roll has been reported for many ministries, particularly staffing at the governorate level. However, based on the crude information available estimates for total public sector staffing equal ~2,800,000, with a total of ~2,086,018 in general civilian employment, ~262,922 in the armed forces (which do not come under normal civil service rules), ~622,767 teachers and at least ~500,000 in state owned enterprises.

(i) Enhancing the level of the Civil Service in accordance with the rule of law, centrally or locally, and also in promoting and developing the civil service, creating equal opportunities, to qualified individuals;
(ii) Planning, observing, and supervising the public service affairs; and,
(iii) In developing the administrative corps, enhancing the level of the state employment structure, and developing the skill of the civil service employees in coordination with the offices concerned.[12]

Other issues to be addressed include corruption, which is alleged to affect the Government of Iraq at all levels, finalising the nominal roll, completing the civil service census and in reducing the alleged high numbers of ghost works.[13] On the e-governance side, Iraq is ranked 151 out of 182 countries in the UN e-Governance Index of 2008 and the I-PSM will need to develop a national e-governance strategy, the implementation of which will be financed by government through the national budget.

### CORRUPTION

Levels of corruption are reported to have increased in recent years, largely due to weak public finance management systems and weak accountability and transparency measures. Through improved governance, compliance with a strict code of conduct for civil service employees, performance evaluations, disciplinary and asset management procedures, as well as the application of standard public finance and expenditure management systems within the sector ministries, the I-PSM will have a direct and positive impact on reducing corruption through promoting accountability and transparency. Finally, financed by government, the e-governance strategy will be rolled out in key ministries to automate standard administrative functions to reduce the risks of fiduciary mismanagement.

### ADMINISTRATIVE STRUCTURE AND FUNCTIONALITY

Since 2003 the numbers of Ministries have increased, often creating confusion over mandates, and with central planning a hangover from the 1970s, all policy making, planning and budgeting structures and functions report to the centre. This is of particular concern given the need to bring government closer to people, and people closer to government, and to allow service delivery to take place at the level at which it can be most effectively and accountably delivered.

With the proposed change in economic policy many of the functions of state could in future be shed to the private sector, or could be deconcentrated or decentralized to lower levels of administration. Planning functions too might also be de-concentrated to sectoral ministries, core functions grouped and obsolete functions discarded. Moreover, in other countries where a process of political decentralization has been endorsed, to avoid replicating shared functions across different levels of government and the associated higher costs, de-concentration of central Ministry functions to the governorate level is an important consideration; to be tackled on a ministry by ministry basis. Deconcentration can include devolution of authority to sub-national government and may or may not be accompanied by staffing changes. In the case of Kurdistan, full autonomy has been granted and revenue sharing arrangements secured, making it the only region in an otherwise three-tier state. Improvements in structure and functionality, on a sector-by-sector basis and structured around clearly defined service delivery models is vital to improving public sector governance, and to increasing the effectiveness of targeted service delivery.

**Box 3: Structure and Functionality at the Governorate Level**

The 2008 Provincial Powers Act and 2009 Budget Law outline the proposed arrangements for determining the decentralisation of budget formulation and execution capacities, at different levels of administration. These laws propose the complete decentralisation of functional roles and responsibilities up to and including policy-making and structure decisions. Yet, given that administrative and fiscal decentralisation needs to be a centrally conceptualised process and that these laws contradict others, the Iraq-Public Sector Modernisation programme seeks to clarify governorate structure and functionality on a sector-by-sector basis. The preferred approach is to determine the logical service delivery model in a given sector, taking institutional and fiscal capacities into consideration, and this model will determine who delivers which service, where, how and at what cost. In other words decentralisation is not an either or scenario but rather one where the extent of decentralisation is determined on a sector basis. In certain areas such as water resources management for example, high degrees of decentralisation allow resource management issues to be dealt with at the appropriate level. In the area of education and health, oversight, regulatory, policy priority and universal access issues are best enforced from the centre with lower level administrative functions devolved around a clearly defined service delivery model.

[13] Survey conducted by the GOI with the Tatweer Project, unpublished report, January 2009

The I-PSM will therefore link sector policy development, service delivery and decentralisation and local governance capacity into an integrated process across the medium budget formulation and execution cycle.

**SECTOR MANAGEMENT, DECENTRALIZATION AND SERVICE DELIVERY**

Sectoral ministries undertake budget formulation under financial directives issued by the Ministry of Finance They are responsible for setting sectoral policy/strategy and undertaking planning with the Ministry of Planning and Development Cooperation (MoPDC), also for proposing the staffing establishment, setting recurrent and capital requirements and developing service delivery models and setting performance-related targets. In some cases these mandates are formally discharged but in many core areas the lack of sectoral policy frameworks, the absence of enabling legislation or costed sector strategies undermine service delivery. In addition, the Iraqi constitution remains unclear on fiscal management provisions and responsibilities, with a devolutional bias towards provinces that runs counter to the existing fiscal and administrative rules and procedures: decentralization will need to be shaped at the sectoral level. Moreover, whilst there are strong arguments for devolution of authority in certain sectors, wholesale fiscal and administrative devolution can create complicated and expensive systems of government, and delivery can be undermined by lack of technical skills and can cause conflict between central and sub-national authorities.

**Box 4: Sector Policy Development and Public Expenditure Management**

Failure to link policy, planning and budgeting is recognized as the single most important factor contributing to poor budgeting outcomes at the macro, strategic and operational levels and many of these observations remain true for Iraq. In the context of Iraq there are a number of significant mismatches between stated government policy and actual expenditure patterns that will need to be addressed over time. These include: (i) the absence of a unified national development policy (ii) poorly defined government social and economic sector policies (iii) a five year plan being developed largely in a policy vacuum (iv) a political commitment to decentralization not matched by fiscal and administrative realities (iv) state owned enterprises crowding out the private sector and, (v) poorly integrated policy making, planning and budgeting processes.

A key stage in the development of sector strategies therefore involves the development of sectoral policy frameworks and to link this to the budget formulation and execution process. The aim of the framework is to establish the (i) sector vision (ii) policy goals and principles (iii) enabling conditions including legislation (iv) short, medium and long term priorities (v) basis for sub-sectoral resource allocation (vi) inter and intra sectoral coordination arrangements and (vii) arrangements for monitoring performance towards sector goals. To establish sector priorities within a resource framework it is also essential to develop sectoral medium term expenditure frameworks as well as to eventually cost the overall policy too, for its affordability and rate of return in achieving objectives. This approach will be central to Iraq-Public Sector Modernisation sector based service delivery and to determining the policy load at national and sub-national levels.

Establishing an effective but affordable government is vital, and poorly managed decentralization policies can lead to a substantial increase in sub-national administrative and staffing establishments, which may not be complemented by de-concentration and cost-saving at the centre. Poorly conceived decentralization can come at a substantial cost, and growing new cost centers at the periphery needs to be balanced with a progressive reduction in central spending to limit the risks that big government is replicated at all levels, even if capital spending can be expedited through decentralized procurement. Successful decentralization requires a progressive shift in balance of power from the centre to the sub-national level based on the appropriate determination (i) of fiscal transfer arrangements (ii) revenue and expenditure assignments (iii) functional responsibility in relation to budget formulation and execution (iv) staffing restructuring and levels and (v) with regard to how sub-national policy-making, planning, execution and monitoring and evaluation are linked to the national level processes. Even though delivering services is core government business, in the absence of clearly defined service delivery models for key sectors such as education, health, domestic water supply and sanitation, decentralization will remain unstructured and poorly coordinated. It will therefore be essential to focus on developing the socio-economic policy of government, including sectoral policy, so that policy-making, planning, budgeting and execution can be shaped around an effective delivery framework.

**DONOR SUPPORT SITUATION**

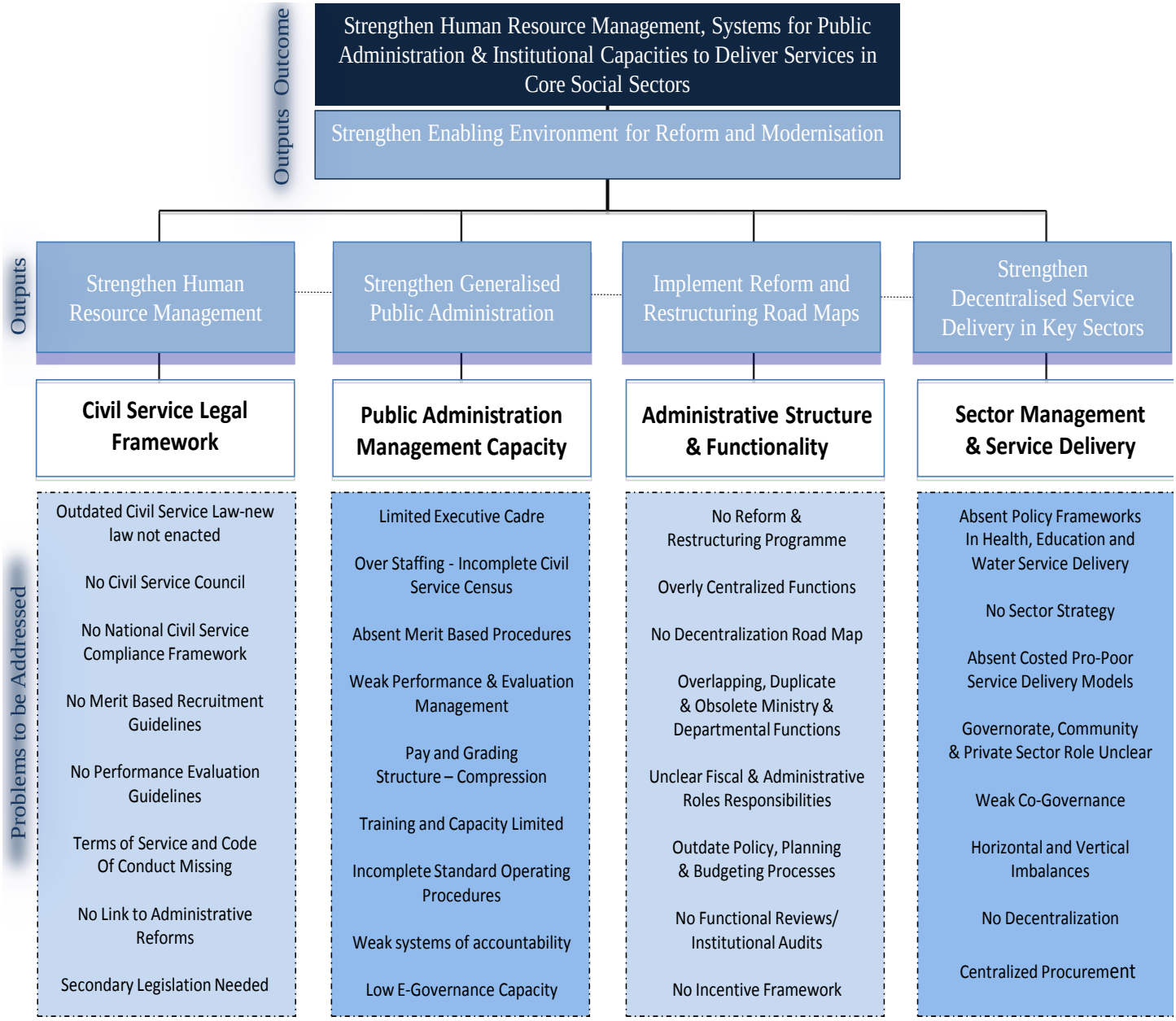
In terms of international community support for improved public sector governance, the majority of assistance has been focused on capacity development rather than support for developing a cohesive public sector modernization programme. As such, many of the core elements of public sector modernisation have yet to be fully conceptualized. In addition, efforts are heavily dispersed at the sectoral and governorate level and are unlikely to be sustained unless the form and functionality of fiscal and administrative relations is driven from the centre down. The World Bank is committed to

Public Financial Management (PFM) reforms and in policy and strategy support to the education and health sectors, and will need to be a central partner for this programme. DFID/ASI support is scaling down and continuity in many areas will need to be secured through this programme. The USAID Tatweer and LGP programmes will be important partners in linking structural reforms provided under the I-PSM with capacity development support in other areas and the EC will be a vital partner not only covering whole-of-government reforms but also those in targeted sectors related to rule of law and socio-economic development. Canadian, Japanese, Australian and Danish support programmes at the sectoral level will need to be coordinated through the government-led Public Sector Modernisation Task Force to guarantee alignment and harmonization with this approach.

### INTERVENTION LOGIC: OUTCOME AND OUTPUT REQUIREMENTS

Based on the situation and problem analysis provided above, the proposed I-PSM programme will seek to remove constraints through a centrally administered approach, but one fundamentally aimed at progressive devolution of service delivery on a sector-by-sector basis where there is a strong evidence base for doing so. The linkage between problems identified, outputs and I-PSM programme outcome are presented below:

**Figure 2: Linkage Between Problems and Programme Outputs**



## 3. STRATEGY, LESSONS LEARNED, CROSS CUTTING ISSUES, AGENCY EXPERIENCE

The preceding section clearly outlines the need not only for a Joint Programme but moreover for one fundamentally driven and implemented by the government. For this reason a government Public Sector Modernisation Task Force (PSM-TF) is to be established and chaired by the Prime Minister's Office and supported by UNDP at the central level and UN agencies and other donors at the sectoral level, to guarantee that a whole-of-government approach is matched by a whole-of-international-community approach too. In line with the principles of the Paris Declaration, to which Iraq is a signatory, harmonization, alignment, coordination and direct technical advisory support are principles around which the programme design has been shaped. This section outlines the overall strategic framework within which the proposed programme is being framed, lessons learned internationally and in Iraq since 2003, cross cutting issues and lastly summarizes key UN agency experience with the overall governance sector.

The I-PSM Programme supports and promotes the attainment of (i) international agreements (ii) the National Development Strategy (NDS) (iii) the International Compact for Iraq (ICI) (iv) the United Nations Assistance Strategy for Iraq and (v) the Sector Outcome Team (SOT). The United Nations Development Assistance Framework 2011-2014, currently being prepared together with the Government of Iraq, also is supported by this proposed programme.

**International Agreements:**
The I-PSM programme supports and actively promotes aid effectiveness, poverty reduction and environment, social discrimination and exclusion, anti-corruption and human rights, as direct concerns and cross cutting issues.

i. ***Paris Declaration on Aid Effectiveness***: As signatory to the Paris Declaration of Aid Effectiveness, in partnership with the international community the GoI and UN will commit to (i) national ownership (ii) alignment of donor to local systems (iii) procedural harmonization of reporting and procedures (iv) results-based programming (v) programmes designed around mutual accountability (vi) predictability (vii) conditionality and (viii) untying of aid.

ii. ***Millennium Development Goals:*** With the I-PSM fundamentally designed to enhance service delivery across government and with the priority sectors of health, education and domestic water supply and sanitation, Millennium Development Goals' achievement is a central focus of this Joint Programme. Moreover, as the programme will benefit from the emerging GoI and World Bank Poverty Reduction Strategy around which partnerships to determine service delivery models will be jointly developed, this programme will be a strong advocate to structural change to meet these international poverty reduction and social inclusion targets.

iii. ***Convention on Elimination of Discrimination Against Women (CEDAW)***: In becoming a signatory to CEDAW (1986), the GoI commits to (i) incorporate the principle of equality of men and women in their legal system, abolish all discriminatory laws and adopt appropriate ones prohibiting discrimination against women (ii) establish tribunals and other public institutions to ensure the effective protection of women against discrimination; (iii) ensure elimination of all acts of discrimination against women by persons, organizations or enterprises.

iv. ***UN Convention against Anti-Corruption (UN-CAC)***: Iraq is signatory to the UN Convention against Corruption which aims at eradicating state capture and petty corruption from government business to improve transparency and accountability. The focus is on preventive measures, de-criminalization, international cooperation and asset recovery. Whilst these are not direct objectives of the I-PSM, the programme will integrate fiduciary management concerns and procurement transparency at the cross-sectoral and sector level.

v. ***UN Declaration of Human Rights***: In compliance with the UN Declaration of Human Rights, the I-PSM programme will support the strengthening of the civil service to eliminate and prevent policies or practices that discriminate against any individuals on the grounds of race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status. Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the nationality or ethnicity to which a person belongs.

**National Development Strategy (NDS) Priorities**
In dealing with the complex challenges of delivering public sector, civil service and economic management reforms and improving service delivery, the National Development Strategy calls for 'a sovereign, unified, democratic Iraq integrated

into the region and world community. It aims at strengthening institutional effectiveness, good governance (including anti-corruption) and service delivery, improved policy-based budget formulation and execution and service delivery and enhanced gender equity, poverty reduction and social exclusion.

**International Compact with Iraq (ICI) Priorities**

In developing the capacities of core government activities, the International Compact with Iraq seeks to establish a civil service corps on the principles of professionalism, integrity and non-partisanship and develop a legal framework and build institutional capacity to deter corruption at all levels of government. ICI Benchmarks (as per proposed Joint Monitoring Matrix 2009) include to:

i. Complete the implementation of the civil service census to support operational headcount management, payroll control and fiscal sustainability;
ii. Pass a modern Civil Service Law to regulate personnel management arrangements and administrative reforms;
iii. Establish the Public Service Commission (PSC) to regulate the affairs of public office including appointments, promotions and administrative reforms as provided by law, and,
iv. Establish a Government led Public Sector Modernization management committee to oversee basic and first generation and strategic reform and restructuring operations.

**UN Assistance Strategy Priorities**

The relevant objective of the UN Assistance Strategy is to strengthen the regulatory framework, institutions and processes of national and local governance. Specific outcomes include (i) Council of Representatives capacity developed for integrity, inclusive governance, gender and human rights (ii) enhanced capacities to plan, coordinate, implement and monitor public sector reforms and international assistance (iii) e-governance strategy drafted and GoI equipped with pilot e-governance systems (iv) strengthened regulatory and institutional framework for anti-corruption and accountability and (v) improved policy-making, planning and delivery capacity of decentralized governance stakeholders.[14] A planned priority development area of the United Nations Development Assistance Framework (UNDAF) 2011-2014 is improved governance, including protection of human rights. The proposed programme will provide significant support for the achievement in this area. By focusing on social service delivery, the Government can show the people that public sector reform has concrete and tangible benefits for the population as a whole. This is also consistent with the peacebuilding objectives of the UN's assistance.

**Lessons Learned[15]**

In the context of Iraq, where conflict is still on-going, there are a number of lessons that need to be considered in pursuing systemic standardized public administration reforms driven simultaneously by central and governorate levels respectively. These are derived largely from lessons learned in implementing civil service reforms for US funded programmes, including through Tatweer, through the DFID/ASI support to public administration reforms, through various UN agency interventions and through cross-national comparatives for similar reform and modernisation programmes. These include:

i. Successful reform and restructuring programmes are government led and international community supported, well coordinated and implemented over the medium to longer term (5-10 years).
ii. Establishing the Public Service Commission and passing the civil service law are vital conditions for long-term programme success. In their absence, reforms risk being piecemeal and poorly coordinated.
iii. As political differences undermine consensus on the key policy elements of a comprehensive administrative reform programme, as well as its practical implementation at the governorate level, the formation of a Government PSM Task Force supported by all donors will be vital to overcoming the risk that the programme meets resistance during implementation.

[14] UNDP e-governance strategy was adopted after a major review of its extensive participatory experience with practitioners in the countries and regions that it serves. This strategy aims to increase the efficiency, transparency and accountability of national institutions; enhance access to information and improve the delivery of basic services to the overall population, in particular the poor; and to enhance citizen participation, in particular by the poor, women and youth, in democratic processes and policymaking.

[15] These lessons stem from post 2003 experience in Iraq, through various programs and is based on the lessons learned from the Kurdistan based on the February 2009 Civil Service Reform workshop of the Government of Kurdistan and the World Bank. See http://siteresources.worldbank.org/IRFFI/Resources/KRGWorkshop.pdf

iv. Without an incentive framework, whereby reform is rewarded with increases in process and procedural ownership, as well as perhaps salary decompression, appetite for change may not be sustained.

v. 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.

vi. An undue focus on downsizing and early retirement could undermine support for, and hence the authority of, central government. This would undermine the entire I-PSM exercise.

vii. The 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 through participation and consensus, not on an individual leader basis.

viii. When there are strong centralist and strong decentralist tendencies, specific attention needs to be paid to unified design and implementation phases.

ix. In the absence of clearly documented staffing numbers by pay and grading it is impossible to cost different options for reform. Lessons learned demonstrate the need for full information regarding to staffing establishments and structure prior to embarking on full-scale sectoral reforms.

x. As the government of Iraq is organised along highly centralised structures and previous efforts to decentralise functions have generally met with political opposition, lessons highlight that decentralisation must be evidence-based and approached on a sector-by-sector basis, driven by the objective of effective service delivery.

i. In the area of state-owned enterprises, government has yet to adopt a formal restructuring programme around which liquidation or divestiture could take place. Whilst the ongoing PSD programme will address the future of state-owned enterprise management structures, with the I-PSM focusing on parent ministry structures, state-owned enterprise restructuring will however be considered on a sectoral basis.

**Box 5: Iraq-Public Sector Modernisation Programme and Gender Mainstreaming**

From the national to sub-national levels the UN system advocates and promotes women's political empowerment to (i) increase the number of women in public office (ii) enhance women's leadership by helping to reform electoral processes, change political parties, and strengthen parliaments, judiciaries and the civil service (iii) strengthen women's organizations ability to advocate and implement projects that promote women's rights (iv) promote judicial reform to ensure equal legal protection to poor women and men (v) ensure that essential public services like health and education benefit poor women, men, girls and boys equitably (vi) promote the ratification, implementation, and reporting on women's international and regional women's instruments such as the Convention on the elimination of all Forms of Discrimination Against Women (CEDAW) and (v) to reduce gender-based violence. These core issues and concerns, many of which are shared with government, will be fully integrated into the Iraq-Public Sector Modernisation programme at various levels, with a particular focus on strategic gender issues in particular. Moreover, in developing service delivery models, gender and social exclusion will be core principles upon which access to basic and essential services is defined.

**CROSS CUTTING ISSUES**

The I-PSM Programme will cut across sectors covering issues such as human rights, gender equality, poverty reduction, environmental sustainability and employment generation in particular.

- Human Rights. Human rights of both public sector employees and those receiving basic and essential services will be improved, across the civil service and within the chosen sectors in particular. This will include rights of employment, rights to pay and grading equality, equitable opportunities for a career within the civil service, the application of standard human resource management terms and conditions as well as due care and attention that sector service delivery efforts are universal where they can be (health, education and domestic water supply and sanitation, in the first instance) and targeted to the poorest of the poor wherever possible. Access to employment and capacity development opportunities for persons with disabilities will be included in policy work and the regulatory framework and implementation plans for the civil service. Through e-governance as well as re-trained and restructured ministries

and governorate offices, Iraqi citizens will have a clear understanding of the structures and processes in government, the decision-making that is done, and how they participate in the processes. If applied, any rightsizing policies will be fair, un-discriminatory and equitable in implementation. Finally, within the civil service, recruitment, appointment and termination procedures will be based on non-discriminatory policies.

- Gender Equality. War has had a profound impact on women's political rights, health and education and despite constitutional advances empowering women in national and local elections alongside a history of strong female employment in public office, Iraq has been unable to uphold its obligations under Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) and other international conventions. The I-PSM programme targets both public sector governance and the delivery of services and, as such, it will be designed to have a positive impact on both strategic and practical gender equality needs. At the strategic level, through civil service legislation and training and management, the I-PSM will actively promote and strengthen women's role in government, in particular at the senior cadre level, and will also support the development of secondary and enabling legislation that protects women's employment rights and entitlements. In terms of the delivery of health and education services, the delivery models to be developed will be evidence-based and will work to reduce discrimination, gender inequality and social exclusion.
- Key Environmental Issues. The I-PSM programme will have a direct impact on the built environment, through the government-building sub-component, but more importantly, given its focus on health and education, as well as potentially rural and urban-based and water resource management service delivery, the impact on health related issues and pollution is expected to be substantial over the medium to longer term, particularly where support targets building and planning standards in urban and semi-urban areas. The focus on Health, and potentially Municipalities and Public Works, Water and Sanitation is essential for achievement of the Millennium Development Goals by 2015; and the application of standard environmental measures will be used as required and in line with relevant laws and regulations.
- Employment Generation. The I-PSM programme will have a major impact on the structure, conditions, and benefits of public employment, the creation of a senior civil service cadre and a career management path. Moreover, in determining the service delivery models in the areas of health and education service delivery, clarifying the role of the private sector in delivery will be a standard practice to reinforce the role of the private sector as engine of growth and primary not secondary provider of employment. In terms of municipal services, where labour intensive work programmes are developed, efforts will focus on maximising labour costs whist minimising capital inputs and mechanisation to minimum. The I-PSM programme will also develop a strong link with the ongoing "Support to the Private Sector Development programme", as well as programmes such as the US government's Tatweer and Local Government Program (LGP), to create a growth enabling environment within which employment generation will be impacted directly.

**UN Agency Experience**

**United Nations Development Programme:** As an agency UNDP has broad international experience and UN mandates in public administration and civil service reform, including decentralised service delivery and local governance. With over 140 staff, UNDP Iraq supports democratic governance, poverty alleviation and recovery and crisis prevention. UNDP has established close working partnerships with the GoI on public and private sector development, on aid effectiveness and anti-corruption activities as well as partnerships with Japan and the European Union. UNDP has supported capacity development of the Board of Supreme Audit since 2005. With UNDP support, the GOI became a signatory to the UN Convention against Corruption in April 2008, demonstrating its intention and commitment to put in place the reforms required for compliance with the UN-CAC. With UNDP and UN Office on Drugs and Crime (UNODC) support, a national anti-corruption strategy has been drafted. Iraq joined the global working group that monitors compliance with the UN-CAC, another indicator of its commitment to participate fully in global anti-corruption efforts. In summary, there have been efforts and interventions to date to increase delivery of tangible benefits to the population and to improve government administration, What is needed now is a systematic, comprehensive effort at the national,

regional and governorate levels to assist Iraq to develop the "architecture" and the "machinery" of efficient and accountable government.

**World Health Organization:** The World Health Organization has been present in Iraq for over 45 years. More recently however WHO has been supporting humanitarian, recovery and development programmes in close collaboration with the Ministry of Health (MoH) and other line ministries, particularly the Ministry of Education (MoE) and Ministry of Higher Education (MoHE). The close partnership with the MoH is formalized though the biannual Joint Programme Review Mission which is an operationalisation of the 5-year term country cooperation strategy. Over the past five years, WHO has been supporting the overall objective of the Ministry of Health (MoH) to transform an inefficient, centrally-planned and curative care-based health service into a new system based on prevention and evidence-based, equitable, high quality accessible and affordable primary health care. The support is divided into a few key areas: access to quality health services (including PHC and essential health technologies); strengthening of human resources and general management systems; developing policies, standardized procedures and strategic plans; Enhancing capacity in risk and hazard analysis, emergency preparedness and response, including surveillance and communication; strengthening and rebuilding infrastructure, including operational support elements such as communications, physical rehabilitation of buildings, provision of supplies and equipment and transportation. Many of the activities have been supported through the Iraq Trust Fund where over 173 million US$ have been directed into the health sector. WHO assists the MoH in policy development and health sector reform while also promoting the equitable delivery of healthcare services. The main focus is on policy and strategy setting, but special efforts are currently exerted to engage the private sector and local communities, with representation from women and marginalized groups.

**UNICEF:** Based on UNICEF's mandate and country program in Iraq, the implementation focuses on National Policy Development by support to social policies (eg. education, nutrition, domestic water supply and sanitation, child protection), institute fiscal reforms (eg. child-friendly budgeting). UNICEF Water, Environmental Sanitation and Hygiene (WESH) programme contributes towards improving access to safe water and sanitation services for people in Iraq. The focus is on the attainment of related MDGs through enabling authorities and civil society to better formulate, monitor and evaluate evidence-based, child-friendly and gender-sensitive water and sanitation policies and systems. Nationwide support is provided to improve social service delivery (eg. immunization campaigns, school curriculum development, teacher training, reporting on grave child violations, etc.). Furthermore to area-based programming to directly improve the well-being of children and communities throughout the country. Currently UNICEF is contributing to humanitarian interventions in 59 communities across Iraq, including the rehabilitation of schools in Babil, Baghdad, Muthanna, Basra and Dohuk. UNICEF has led the effort to support the Ministry of Education in Iraq to strengthen primary/intermediary education through provision of essential learning and teaching materials, rehabilitation of schools, implementation of Accelerated Learning Programme (ALP) for out of school children and youth, advocacy and policy development, in service training on child-centered teaching/learning methodologies, support to Early Childhood Stimulation and Learning (ECSL) In addition, UNICEF helped the MoE further refine the Education Management Information System, thereby providing more timely gender and geographically disaggregated data. Jointly with World Bank and UNESCO, major efforts are underway to develop a National Education Sector Policy.

**UNESCO:** Underlying UNESCO's mission in Iraq and imbedded within the activities implemented under its mandate for education, science, culture, communication and information is support to peace-building and reconciliation in the country. UNESCO's mandate and comparative advantage lies in its designated global lead role in education at large, with special emphasis on national institutional capacity-building in policy formulation, sector analysis, educational planning, policy simulation and dialogue, resource projections, sector management, monitoring and evaluation. UNESCO's Education Sector and its specialized institutes, namely the International Institute for Educational Planning (IIEP) and the International Bureau of Education (IBE), have the global mandate of providing a platform for educational innovation and reform, anticipating and responding to emerging trends and needs in education and developing education policy recommendations based on research evidence. UNESCO's mandate is also to promote the development and implementation of successful educational practices and document and disseminate successful practices, developing Standards, Norms and Guidelines for action in key education areas. In Education, UNESCO Iraq projects take a sector-wide approach with the aim to increase access to education, promote life-skills and reverse the growing trends of illiteracy

among the population and declining female participation. Working in Iraq with the Ministries of Education, Higher Education and Social and Labour Affairs, UNESCO implements projects oriented around three main objectives: assisting authorities to stabilize the educational situation in the country (i.e. supporting the examination process); strengthening the ministerial capacity to deliver education services to support Iraqi-led policy frameworks and strategies as well as providing urgently required assistance such as textbooks and fellowships for Iraqi academics. UNESCO is part of the ongoing development of the National Education Strategy together with UNICEF and the World Bank, and sub-sector education policies. In the water sector, UNESCO is a global authority on hydrology and integrated water resources management. The organization's mandate in water is to build institutional and societal capacities through training and educational programmes targeting experts, government, universities and schools, water managers and water users; improve water management by applying latest technologies, methodologies and approaches; stimulate cooperation and dialogue in water science and management; and assess and monitor vulnerable water resources.

**UNHABITAT:** UN HABITAT has over 12 years of project experience in providing technical advice and support to the Government of Iraq. The agency has over 25 full-time professional and support staff and consultants based in Baghdad and Erbil and seven other governorate-based offices around the country and another 17 professional and support staff in its Amman office. UN-HABITAT has gained a good understanding of the urban/municipal sector through its work in the: (i) Iraq Urban/Municipal Sector Strengthening Project (completed in 2006); (ii) Solid Waste Management Project (ongoing–involves technical assistance and capacity building to improve laws, policies and programmes related to SWM); (iii) Urban Planning and Municipal Association Project (ongoing); as well as its work in the Iraq Housing Sector. In addition, UN-HABITAT in collaboration with (and funding from) the Iraqi Ministry of Municipalities and Public Works has produced the State of Iraq Cities Report and Rapid Urban Profiles covering 18 major cities in Iraq. These studies look at the development conditions in major Iraqi cities including the way they are planned, managed and provided with basic services.

**UNFPA:** UNFPA has a global mandate in the area of reproductive health care and population and demographic matters. UNFPA-Iraq is assisting the government's Central Office for Statistics and Information Technology (COSIT) in the implementation of the population census through the Capacity Development in Census and Large- Scale Surveys project, which include training, study tours, technical assistance and quality assurance. UNFPA-Iraq implemented the project "Support to Emergency Obstetric Care (EmOC) in Iraq", supporting safe motherhood within the context of Primary Health Care and higher levels of referral, and will be implementing the project "Strengthening Protection and Justice for Children and Young People in Iraq" beginning in 2010.

**UNOPS:** UNOPS began operations in Iraq in the late 1990s and its current office has provided project implementation services to the people of Iraq since 2004 and with funding from various bi-lateral sources (donor countries, UN, World Bank) as well as the United Nations Development Group - Iraq Trust Fund. Activities have aimed at supporting numerous bodies of the Iraqi government as well as the civil society and in various sectors ranging from Rule of Law and Electoral Support to waste management and the establishment of blood banks. Many of UNOPS' projects were developed and implemented in strong partnership with other specialized UN agencies or other international organizations. The UN Mission in Iraq (UNAMI) and UNOPS have cooperated and worked together successfully on several projects and programmes. The successful implementation of such initiatives is based on close cooperation with the Iraqi counterparts and other stakeholders. UNOPS has been engaged to find innovative and expedient solutions to the challenges presented by the operating environment within Iraq, while remaining within UN rules and regulations.

**UNESCWA:** UN-ESCWA has established since January 2006 a specialized Unit that focuses on development interventions, including capacity-building, in crisis afflicted countries. Moreover, since the inception of ESCWA in the early 1970s, it has always played an active role in Iraq's development efforts. ESCWA's mandate as confirmed by member states in their adopted resolution at the 25$^{th}$ Ministerial Session held in Sana'a, Yemen in May 2008. The resolution adopted in Sana' included a clear request and endorsement to the Commission's work in alleviating the impact of conflict and instability through awareness raising and capacity building activities. ESCWA will provide the regional perspective and network to the project. In addition to the in-depth knowledge of the region and its particularities, ESCWA would promote linkages with local governments from member states, which would facilitate the partnership agreements and enhance networking with municipalities presenting commonalities with the Iraqi context. Based on its

accumulated experience in organizing and managing trainings for Iraqi public institutions, and being the recognized regional UNPAN (United Nations Online Public Administration Network) regional node for the Arab countries, ESCWA is well placed to supporting the development of the human and institutional capital in Iraq and will build on past experiences and available resource experts and training curricula. ESCWA has built a strong relationship with MMPW officials at the central and local levels during the implementation of the "Capacity Building and Institutional Strengthening of the Ministry of Municipalities and Public Works (MMPW) Project". This relationship will facilitate the implementation of this project and will ensure a smooth cooperation process.

**UNIFEM:** Through its ongoing projects, UNIFEM seeks to end violence against women, advocating for gender provisions in the Iraqi Constitution and other legislation, and promoting women's role in peace building, working together with women's groups, local and international NGOs, governmental officials and women parliamentarians on raising awareness about women's human rights and VAW (violence against women). In particular, UNIFEM advocated for changes in existing legislation that undermines women's rights such as the Penal Code, Personal Status Law, Labour Law and others. UNIFEM has also assessed the capacities of NGOs in overcoming the obstacles they face and advocating for women's rights and equal opportunities, and acknowledges their dedication. Some NGOs received UNIFEM managerial and technical assistance through the implementation of small projects aimed at enhancing knowledge and skills in their local communities, and adapting new techniques that minimize violence against women.

## 4. THE PROPOSED I-PSM PROGRAMME

Since 2003, the Government of Iraq (GoI), supported by the international community have committed billions of dollars of support to transition the government towards a democratic, representative, decentralised and service delivery oriented state. Following January 2009 provincial elections the devolution of political authority has been substantially advanced, although as neither fiscal nor administrative devolution have occurred all policy formulation and execution functions remain highly centralised. The proposed I-PSM programme will address these structural constraints through a government-led, centrally administered and coordinated approach that ***(i)*** improves the civil service legal framework ***(ii)*** rationalises the architecture and machinery of government ***(ii)*** improves civil service management and culture ***(iii)*** enhances administrative functionality ***(iv)*** develops clearly defined and costed service delivery models in core sectors ***(v)*** links decentralisation through a service delivery lens on a sector-by-sector basis and ***(vii)*** improves subsidiarity based on evidence that accountability and transparency structures are in place for participatory local governance.

### ENGAGEMENT PRINCIPLES

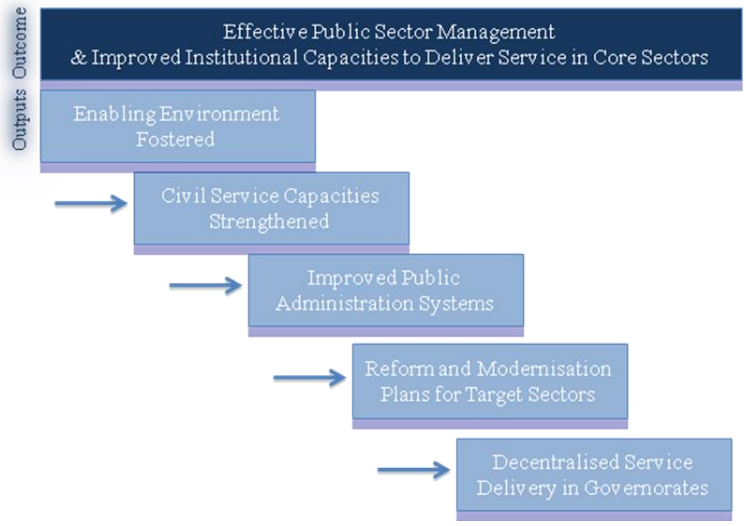
Based on discussion with GoI officials and relevant donors, core principles for the proposed I-PSM joint programme include ***(i)*** national ownership and government leadership ***(ii)*** a coordinated and centralised approach to the progressive devolution of service delivery ***(iii)*** a focus on basic and first generation reforms alongside strategic reform and restructuring ***(iv)*** adoption of international civil service and public administration practices ***(v)*** integrated and holistic approach to policy, planning and budgeting ***(vi)*** targeted to high priority sectors supported by lead UN Agencies ***(vii)*** risk minimisation and exit strategy by design ***(viii)*** clear roles and responsibilities ***(ix)*** a focus on quick gains and long term consolidation and sustainment and ***(x)*** flexibility, cost effectiveness, sequencing and prioritisation. These will remain indicative until the government's Public Sector Modernisation-Task Force is formed and a national programme is developed.

### OUTCOME AND OUTPUT STRUCTURE:

The outcome (purpose) of the I-PSM programme is to design and implement whole-of-government and targeted sectoral reforms to enhance delivery of basic and essential services in health, education, and domestic water supply and sanitation in the first round of reforms. As the I-PSM is a national programme around which a singular approach to reform and restructuring is to be adopted, additional sectors such as the productive sectors can be developed sequentially as required. This programme can therefore be scaled up over time, once experience has been gained in key sectors, but will start in a limited way with a sectoral focus on areas of immediate service delivery, i.e. health, education and domestic water supply and sanitation. The programme will endeavour to assist government to obtain concrete, early results in service delivery to the people, to build support for modernisation from government stakeholders and from the general public. As a result, to

meet the programme outcome and based on the problem analysis provided in section two, outputs include ***(i)*** GoI is better able undertake Public Sector Modernization at national, regional and governorate levels, (ii) civil service capacities strengthened for reform and modernisation ***(iii)*** GOI has capacities for improved public administration systems ***(iv)*** GOI has reform and modernization plans in place for targeted sectors and ***(v)*** decentralized service delivery improved in target sectors with local governance and participation enhanced as outlined below.

**Figure 3: Schematic of Programme Outcome and Outputs**




**OVERALL APPROACH**

Given the likely scale and impact of the I-PSM programme, meeting the outputs and eventual outcome outlined above will require a clearly defined, centralised and well coordinated programme with performance benchmarks to be rolled over the short, medium and long term. The I-PSM programme is not a linear programme where one output leads to the next. Instead the programme has been designed to also allow strategic reforms to be pursued regardless, at the sectoral and sub-sectoral level. Each output is therefore designed as a core component, of which there are five in total. The methodology relies on strong leadership for change management, to be built through the Task Forces and through senior civil service leadership.

The Programme will be structured into two phases. Phase 1 comprises the preparation and enabling actions for start-up of a medium and long term, government-owned reform and modernization process. The culminating output of Phase 1 will be the formation of the various bodies necessary for policy development and implementation of the programme (see Output 1 of the Results Based Matrix) and the formulation by government, with input from the joint programme and coordinated input from other international development partners, of a Public Sector Modernisation Strategy (PSM-Strategy). The Strategy will be based in diagnostic work, sectoral assessments, e-readiness assessments and assessments of governorate capacity. The assessments have begun during 2009, supported by ITF-funded Project C9-24 ("Support to Decentralisation and Local Governance for Service Delivery in Iraq – Phase I". These assessments will be finalized during Phase 1, and they will be used as the basis to prepare the PSM-Strategy. The assessments are expected to be completed by the end of April 2010. It is expected that the preparation of the strategy will be done by technical teams from government, with national and international experts, using these assessments as well as other on-going technical assistance provided by The World Bank and bilateral donors, particularly the Tatweer project of the US government. The technical analysis will contribute to the Strategy, to be formulated by the new government to be formed in 2010, following the March 2010 elections. The Strategy will be presented to the Council of Ministers for its review and adoption, with an expected date for its presentation in November 2010.

Phase 2 will comprise support for implementation of the government's PSM-Strategy. At the end of Phase 1, a proposal for the Phase 2 work plan, budget and agency roles will be presented to the programme Steering Committee, for onward consideration and approval by the UNDG ITF Steering Committee, and disbursement to the respective agencies, according to the approved content of Phase 2. The content of Phase 2 will be informed by the results and agency performance of Phase 1.For its part, the GOI is expected to provide counterpart funding for the PSM-Strategy, with a minimum expected funding of USD 40 million for direct and specific inputs to achieve the outcomes and outputs of the Strategy.

The start up Phase 1 will consist of the formation by government of its Public Sector Modernisation Task Force (PSM-TF), and supporting government to draft a Government Public Sector Modernisation Strategy document including a description of principles, objectives, output components, activities, financing arrangements, monitoring benchmarks and cross-governmental coordination and planning arrangements.[16] For the three sectors, Ministerial Advisory Committees (MACs) will be established for education, health and domestic water supply and sanitation, to be chaired by Government with each lead UN Agency (WHO, UNICEF/UNESCO, and relevant agencies in the case of domestic water supply and sanitation) providing a secretariat function. During the start up phase, procurement support will build long term technical advisory services around the PSM-TF and within central government, with expertise on designing civil service and public administration reforms, and their relationship with the sphere of economic management. The start-up Phase 1 will also strengthen linkages between the PSM programme and the ongoing GoI Public Financial Management/World Bank and donors supported PFM reform programme given the close linkages between outcome and outputs.[17]

Under Phase 2, the programme will deliver both ***(i)*** basic and first generation reforms across the whole of government as well as ***(ii)*** Strategic Reform and Modernisation (SRM) within key sectors as part of the development of the public sector reform strategy.[18] As such, this is not a one-size-fits-all approach but rather one that combines systemic whole-of-government reforms with one pursuing reform opportunities where they arise, and with specific focus on social services delivery sectors. The outputs and activity structure for these two broad areas of support, indicatively outlined below, will be formally developed as part of the work of the government's Public Sector Modernisation-Task Force to design the overall national programme.

i. ***First Generation Whole-of-Government Reforms***: At the heart of the PSM programme is strengthening the civil service legal framework, enhancing civil service management capabilities and rethinking the entire functional structure/architecture across the three tiers of government. This will also include an approach for systematizing reform and restructuring within key sectors based on a standard framework of re-setting mandates, conducting functional reviews/institutional audits and designing sectoral reform road-maps around a newly costed service delivery model. The aim is to develop systems that will achieve greater efficiency and more responsiveness to central mandates first, to therefore also to include sub-national structures too. The logic that underpins this process is that there is sufficient discipline within the system that can be used to leverage reforms and also that there is cross-government support at the highest level (Council of Ministers Secretariat, Prime Minister's Office, Public Service Council) capable of providing oversight, coordination and management. Once established, the Public Service Council would be increasingly tasked with conceptualizing and leading the first round of civil service and administrative reforms based on a range of policy choices to be outlined, underpinned by a new civil service law. The new civil service law would be strengthened with secondary legislation and policy regulations that impact staffing (merit based recruitment, terms of service, management training, pay and grading etc.), administrative structures and economic management. These whole-of-government reforms will largely be delivered through components 1 and 2 as outlined below:

[16] The PSM-TF will be chaired by Government and include members and representative of the executive (CSCPSC, COMSEC, PMAC, MoF, MoPDC, MoE, MoE, MoHE) and attended by relevant international community representatives. UNDP will play the secretariat function. Mandates and terms of reference are to be agreed in due course but the PSM-TF will be responsible for strategy, coordination, oversight and high-level management functions.

[17] The ongoing GoI/World Bank Public Finance Management Action Plan, which is also being supported by other donors such as DFID, will focus on establishing an integrated budget management systems focused on fiscal sustainability and allocative and operational efficiency. The World Bank will therefore be a close partner in moving the sectoral reform and modernisation work, linking PFM with PAR and CSR.

[18] The World Bank ISN indicates that an Iraq Kurdistan Civil Service Reform Note will be prepared covering a similar kind of approach to the one proposed here. The World Bank has just concluded an initial workshop with the government of Kurdistan and so this initiative needs to be closely coordination with the PSM program.

- ***Component 1: Enabling Environment for Reform and Modernisation***: From the outset it is vital that an enabling environment is created at different levels to secure national ownership and leadership. This component therefore includes (i) the establishment of the Public Service Council (PSC) including management boards covering civil service and public administration reform mandates at national and sub-national levels (ii) the establishment of the I-PSM Task Force and Ministerial Advisory Committees at the sectoral level (iii) the establish of a parliamentary committee on public sector modernisation (iv) drafting and approval by the I-PSM Task Force of a national I-PSM programme document and (v) strengthening of participatory processes with civil society and sub-national governance structures.

- ***Component 2: Civil Service Management***: The first task is for the PSM-TF is to reconvene the civil service law drafting committee and to complete a final draft of the Iraq Civil Service Law. Once adopted the civil Service Law should seek to (i) define the civil service and the role and responsibilities of civil servants (ii) define the relationships between civil servants and Ministers (and other elected officials) (iii) codify ethical standards and lay down the principles of service to the public and (iv) set out the underpinning principles of civil service employment. Various areas of secondary legislation are needed to strengthen the civil service compliance framework, enhance merit-based recruitment, performance evaluation, terms of service and the linkage between civil service and administrative reforms. **Inclusion of women and opportunities for persons with disabilities will be incorporated.** To address the civil service management capacity problems identified in section 2 above, this component will focus on (i) establishing, structuring and staffing the Public Service Council at central and sub-national levels, (ii) strengthening the administrative reform secretariat (iii) conducting pay and grading reviews and assessing entitlements packages (iv) setting long term staffing establishment entitlements including closed/open system options (v) outlining plans for a senior civil service (vi) creating a legally defined civil service cadre with common terms and conditions (vii) enhancing merit based recruitment (viii) undertaking a whole-of-government E-Governance strategy (ix) outlining civil service training programmes and developing training capacities (x) conducting a full assessment of government buildings and infrastructure needs. These activities will be centred on the national provincial Public Service Council and deconcentrated Governorate offices once established and will be closely coordinated with the ongoing PFM strengthening programme of the GoI/World Bank.[19]

- ***Component 3: Public Administration System Development***: This component will support the strengthening of generalized public administration systems to include (i) standard systems for general management functions (ii) tailor made capacity development initiatives and training packages around core functions (iii) development of data and information systems to support planning, budgeting and policy making and programme management by government (iv) review of the national e-Governance Strategy in line with improved public administration systems and (v) the identification of sectoral reform opportunities and sector expenditure management plans.

ii. ***Sectoral Reform and Modernisation (SRM)***: Sectoral Reform and Modernisation provides a framework for appropriate reforms at the ministry, departmental or governorate level with an initial focus on three sectors but built around a standard and structured reform and restructuring approach. Priority will be given to transformations that would enhance the legitimacy of the centre and governorate levels rather than undermining it, thereby exploiting and nurturing the appetite for reform that exists within certain areas of the government administration. The sectors should also allow results of the Public Sector Modernisation programme to be visible to the population and have a direct impact on the lives of the people in Iraq. The SRM approach would be based on the submission of ministerial business, the results of functional reviews/institutional audits and the development of costed service delivery models outlining delivery roles and responsibilities at central, regional, governorate, district levels. These would be referred to as reform and restructuring road maps. The models would factor in the

[19] Basic reforms include hardening the budget constraint as part of a more top-down approach to budget formulation and strengthening the discipline with which input-oriented line item budgeting is enforced. Other basic public expenditure management reforms at this stage include the strengthening of accounting capacity through training and improved remuneration to attract competent staff, and strengthening traditional financial and compliance audit. This component will be largely handled by the World Bank under the PFM program and close partnership will be necessary at both the cross-sectoral and sectoral levels, to link PAR/CSR and PFM/PEM strengthening.

roles of the private sector and local communities in delivery of basic and essential services, with a specific focus on setting delivery standards, costs and outcome and impact targets, as well as strengthening civilian oversight and non-governmental participation wherever possible. SRM reforms will largely be driven by component 3 and 4 as outlined below.

- ***Component 4: Sector Reform and Modernisation***: In the chosen sectors, basic reforms are likely to include (i) the simplification and consolidation of ministry structure and departments (ii) institutional and functional streamlining through the development of Ministerial business plans (iii) reviews of ministerial, departmental and sub-national functions (a functional reviews/institutional audit) in service delivery and (iv) development of costed and benchmarked service delivery models. Once the architectural structure of the Ministry or budget entity is determined, including the grouping of common functions, staffing needs for the new structure and staff development plans will be developed. This sector based analytical work will lead to reform and restructuring road maps and will be developed alongside a strategy for implementation over the short, medium and long term. Drives in administrative efficiency are to be achieved through streamlining administrative functions, standardisation of management information systems around the budget process and drives to improve e-governance based upon a national E-governance model established in output 3. e-Governance would enhance automation and contribute towards countering corruption. While anti-corruption is not an explicit focus of this programme many of the activities outlined here, and their linkage with the World Bank Public Financial Management programme, will undermine corrupt activities and limit opportunity through enhanced fiduciary risk management. Within the sectors, the results of the government building survey will be used to determine capital and infrastructure development needs, to enhance the effective delivery of basic and essential services. Any infrastructure development will be funded through the budget by the government of Iraq.[20]

- ***Component 5: Decentralised Service Delivery in Target Sectors***: With the national budget placed as the central tool of government policy the identification of policy goals and priorities at the national, sectoral and sub-national levels is a vital component of good governance. Such an approach needs to be formalised so that the functional responsibilities vis-à-vis policy management are clearly identified, and reflected in the service delivery model, across each tier of government and with the private sector. Currently, there are few sectoral policies established to guide the work of budget entities at central and governorate levels, limiting the impact of public spending and in many cases leading to weak coordination. Reforms that strengthen the linkage between policy-making, planning, budgeting and execution are therefore a key priority activity but these will be focused on the three or four chosen sectors. This will include the development of costed service delivery models and benchmarks around which the functional reform and modernization process will be rolled out. Capacity development will also take place at the governorate level in select governorates to enable the nascent political and administrative structures to take responsibility for decentralised service delivery, with adequate mechanisms for accountability and participation, that are gender-sensitive and incorporate the needs of persons with disabilities. Knowledge-sharing and linkages among the governorates, with stakeholders at national government and with international associations of local governments will be supported.

**GENERAL METHODOLOGY FOR PHASE 1: PREPARATORY AND START-UP PHASE**

The Programme will be structured into two phases. Phase 1 comprises the preparation and enabling actions for start-up of a medium and long term, government-owned reform and modernization process. The culminating output of Phase 1 will be: 1. the formation of the various bodies necessary for policy development and implementation of the programme; and 2. the formulation by government, with input from the programme and coordinated input from other international development partners, of a Public Sector Modernisation Strategy (PSM-Strategy).

[20] Whilst the ministries to be targeted have departments operating as state owned enterprises, as this is not a privatization program, the I-PSM program will identify the role of parastatal structures and the management arrangements linking them to service delivery, and will forward a set of restructuring recommendations to the Task Force to inform any formal SOE restructuring program. Restructuring of SOEs is not an activity of the I-PSM even though their role and structure have implications for service delivery and the costs of conducting government business. Coordination with the PSD program will be strengthened for this activity.

The PSM-Strategy will be based in diagnostic work, assessments of the civil service, sectoral assessments, e-readiness assessments and assessments of governorate capacity. The assessments have begun during 2009, supported by Iraq Trust Fund (ITF)-funded Project C9-24 ("Support to Decentralisation and Local Governance for Service Delivery in Iraq- Phase 1"). These assessments will be finalized during Phase 1 of the proposed Public Sector Modernisation programme, and they will be used as the basis to prepare the PSM-Strategy. The support to government for development of the Public Sector Modernisation Strategy will be based on full consultation both inside and outside the Government and will include a baseline and needs assessment. It is expected that the preparation of the Strategy will be done by technical teams from government, with national and international experts. The Strategy will be ready for consideration by the new government to be formed in 2010, following the March 2010 elections. The Strategy will be presented to the Council of Ministers for its review and adoption.

Phase 2 will comprise support for implementation of the government's PSM-Strategy. The implementation comprises all of the major programme components, including human resource management with civil service reform, improvement of general management systems, sectoral reform in the selected sectors, and improvement of decentralized service delivery at the governorate level, with better citizen participation. Participating agencies will review and make adjustments to their work plans under the Joint Programme to fully support the implementation of the PSM-Strategy.

For its part, the GOI is expected to provide counterpart funding for implementation of its Public Sector Modernisation Strategy, with a minimum expected funding of USD 40 million for direct and specific inputs to achieve the outcomes and outputs of the Strategy.

**The I-PSM Joint Programme**

Under the C9-24 Preparatory Project, assessments will provide the basis on which the Government with UN assistance will formulate the National Iraq Public Sector Modernisation Strategy. In order to have a complete information set for implementation of the Strategy, the I-PSM will undertake functional reviews, to provide a more detailed focus on the issues addressed in the Strategy, for its implementation. Specifically, the objective of the preparatory assessments and functional reviews is to lay the foundation for future sectoral reform and restructuring work, aimed at strengthening service delivery and decentralization, to shape and inform the work of the I-PSM Task Force. As a result the overall methodology that is being followed for this preparatory work is as follows:[21]

i. ***Review of Sectoral Legislation and Policy Framework***: The existing legal and policy framework for confirmed and potential target sectors need to be reviewed to include an analysis of policy strengths, weaknesses, opportunities and threats. This would include analysis of policy gaps, shortcomings and weakness in policy prioritization amongst other issues but would include a focus on understanding the legal and policy environment within which the sector is currently regulated;

ii. ***Sectoral Strategy Review***: If there is a sector strategy in place, it will be important to consider its relation to policy discharge, main strategic goals, results and operational delivery. If no sector strategy is in place, then an outline of what such a strategy should consider should be developed including a sectoral policy framework;

iii. ***National and Sub-national Administrative Structures***: The start-up phase will describe the national and sub-national administrative structures (central, regional, governorate and district) for the sector, including organizational charts, departmental structures, management and reporting responsibilities with regards budget formulation and execution and service delivery. A matrix of structures and responsibilities would be developed;

iv. ***State Owned Enterprises***: The restructuring of State Owned Enterprises (SOE) is not an objective of the I-PSM programme. Rather, this effort is being coordinated through the Private Sector Development (PSD) programme. However, given the large numbers of SOE's involved in service delivery in certain sectors the preparatory work should undertake a review of sectoral SOE's making general recommendations for their restructuring to enhance

[21] i. As the full functional reviews will need to consider upstream program efficiency and effectiveness issues as well as and downstream organizational reviews, then the preparatory work needs to focus on government efficiency improvements and comprehensive policy and service delivery reviews.

competitiveness, efficiency and fiscal sustainability. The review should also document SOE structures and staffing, and roles in service delivery at national and local levels;

v. ***Organization Structures and Human Resources Management***: The organizational structure at central, regional, governorate and district levels will be documented, showing departments, mandates and staffing establishments by department and executive office. The review will also consider staffing competencies, constraints and limitations as well as describing general civil service management arrangements and general management systems. Finally, this section will initiate an understanding of which functions could be unified, which may be obsolete, and how to improve overall sectoral coordination at the structural level within and across ministerial mandates;

vi. ***Public Expenditure Management***: All Public Expenditure Management work will contribute towards the World Bank support GoI Public Financial Management Action Plan. Sectoral spending covering wage and non-wage recurrent spending and capital spending will be described for the previous three year period to gain an understanding of the policy priorities being supported within the sector. Where possible, disaggregation of expenditure programmes between central government and the governorates should be provided, to assess horizontal and vertical imbalances. Views with regards the sectors approach to linking policy making, planning and budgeting can be documented, including its compliance with fiscal sustainability and allocative and operational efficiency.[22]

vii. ***Service Delivery Model***: In short the review will document the sectors current approach to service delivery including outlining who delivery what, where, when and at what cost. Stakeholder analysis would also document key stakeholders involved in delivery at central and sub-national levels, including the role of SOEs and public participation in delivery. Observations with regards effectiveness, efficiency, transparency and accountability structures will be documented as will an understanding of the costs of delivery per capita and targeting coverage. Concerns with regards to levels of exclusions, geographic and demographic, need to be documented. These reviews would form the foundation for full service delivery model development.

viii. ***Local Governance and Public Participation***: A concise summary of the approach to local governance for the sector needs to be documented, including the role of public participation in creating accountability and transparency, and the de jure and/or de facto roles of governorate council participation in sectoral formulation and execution. Participation processes should be documented and initial observations for strengthening cast.

An organizational review will be done of all government institutions operating at the Governorate level (elected Council, Governors and Deputy Governors, Governorate-appointed professional and administrative staff, Directors General and all staff appointed by national government and posted to the governorate). The current situation differs across governorates, and is the product of the circumstances of appointed governors after 2005 and national capital budget allocations to governorates, for which some governorates developed administration and staffing, in parallel to the service delivery capacities from national government; and now after the 2009 elections of Provincial Councils.

The programme will support the process of developing roles, functions and delineating mandates of the Governorate Council and its dependencies, including elected officials and employed staff (local governance capacities) and their relationship to national government offices operating at the governorate and sub-governorate levels, including transition mechanisms to reflect the asymmetric development of decentralized service delivery across sector s and governorates during the coming years. The roles, functions and mandates would include the relationship of the public to both elected officials and employed staff (such as through open hearings by Committees), the relationship between a sectoral Committee of elected officials and the administrative officers responsible for that sector (both national functionaries and governorate staff), and so forth.

[22] Whilst formal Public Expenditure Reviews (PERs) have yet to be conducted, the recent conclusion of PEFA, the development of a Public Finance Management (PFM) Action plan and the sectoral and budget management work provided by Geopolicity Inc, will be resources for this component.

Some of the many questions to be answered throughout the functional review process are summarized in Box 6, below.

**Box 6: Questions to be Answered in Conducting Sectoral Reviews**

Given the importance of considering human resource requirements (staffing, staffing levels, decompression, de-concentration, decentralization etc.) and public expenditure management practices, in addition to the general methodology outlined above, the following list of key sectoral questions should be used as a reference to strengthen overall sectoral understanding.

- What functions, activities and programmes are being undertaken, what do they cost and how many staff are they using?
- What is their rationale? How do they relate to any strategic objectives or priorities stated for these departments, if such objectives and priorities exist?
- To what extent have adequate medium term sectoral strategies been established to guide this process? What strengthening of policy capacities (analysis) is required in central agencies and sectoral (service delivery) departments?
- What are the apparent outcomes (effectiveness and service delivery quality) of these activities or programmes? If activities or programmes are ineffective or provide poor service delivery, what response or changes are required?
- What is the appropriate role of government in these areas? Are there activities or programmes that do not appear to be a proper activity for government, and which therefore could be eliminated or transferred to the private or non-government sectors?
- Are there activities or programmes for which new service delivery arrangements – such as contracting out, partnerships with the private and non-government sectors – would improve outcomes and efficiency?
- Are there activities or programmes that appear to serve no useful purpose and could be abolished?
- For revenue generating departments, is there potential to increase revenues by improved administration or targeting?
- Are there activities or programmes for which new or additional user charges would be appropriate – or where charges should be reduced or eliminated?
- Are there apparent duplications or overlaps between different activities or programmes – either within or between departments – which could lead to rationalization and savings? Can a reduction be made in the number of individual agencies?
- What is the relationship between the national government and the provinces and districts in the delivery of services by these departments? Do existing arrangements provide for adequate local autonomy, but at the same time promote accountability for performance and policy overview by the national government for the achievement of national objectives? What funding and legal changes might be needed to achieve this?
- Do budgeted funds actually reach the point of service delivery? If cuts in allocations are needed during the year, where do these cuts normally fall?
- Are desirable activities or programmes adequately funded to achieve their required results? If not what additional funding is necessary?
- What desirable activities or programmes are over-funded or over-staffed and have possible efficiency gains? What is the extent of such possible efficiency gains? If staff reductions are desirable, should staff be retrenched or transferred to other functions, activities or programmes? If retrenchment is desirable, what would be the costs and who will manage the process?
- What appear to be the major barriers in the central systems of budgeting and financial management, personnel management, and procurement to achieving better outcomes and efficiency?

Using the results of the preparatory phase, the I-PSM will assist the GOI to develop a Public Sector Modernisation Strategy, aligned with the National Development Plan. This strategy will form the "blue print" for implementation of the I-PSM Joint Programme, and will guide the development of detailed work plans, according to the general output areas specified in the present Programme Document. The I-PSM Strategy will be presented to the Council of Ministers, and for the purposes of integration into the present Programme of assistance, it will be adopted by the I-PSM Programme Steering Committee, thus ensuring that the I-PSM is fully aligned to support the GOI PSM Strategy.

Disbursement of the Joint Programme Iraq Trust Fund (ITF) funding will be done in two tranches, corresponding to Phases 1 and 2. Participating agencies will receive a disbursement of sufficient funds to enable basic staffing and preparations so that there will be no gaps or delays in initiating support for Phase 2, without compromising any revisions in work plans that might be done once the PSM-Strategy is formulated.

The tranches will be as follows:

| Phase 1: Participating UN Organisation | Phase 1: Tranche 1 | Phase 2: Participating UN Organisation | Phase 2: Tranche 2 |
|---|---|---|---|
| UNDP | 5,000,000 | **To be determined** | **To be determined** |
| WHO | 2,000,000 | | |
| UNICEF | 2,600,000 | | |
| UNESCO | 2,000,000 | | |
| UN-Habitat | 2,000,000 | | |
| UN-FPA | Inter-agency agreements | | |
| UNESCWA | Inter-agency agreements | | |
| UNOPS | Inter-agency agreements | | |
| UNIFEM | Inter-agency agreements | | |
| **Total ITF Budget (US $)** | **13,600,000** | | **41,400,000** |

*** Includes inter-agency agreements with partner agencies**

**I-PSM PROGRAMME IMPLEMENTATION** [23]

In delivering activities to deliver outputs, and in delivering outputs to meet the expected outcome, a number of alternative approaches have been considered covering social, technical, institutional, financial and economic criteria as outlined below. These build on the results of the issues and options papers in relation to (i) public sector reform and modernisation (ii), on medium-term budget management and service delivery and (iii) policy, planning and budget strengthening, as well as the results of cross-national comparative experience in similar reform and modernisation contexts.

i. ***Social Criteria***: Given the limited funds available, it is essential to consider ways to minimise costs whilst maximising programme benefits. As a result all components will seek to address strategic gender issues as well as socio-cultural constraints, in relation to civil service staffing, management and terms of service but also at the Sectoral Reform and Modernisation level where the functional restructuring of ministries and equitable development of service delivery models will be developed. The specific political economy context will be understood and local preferences and motivation will be understood and preserved. The programme will have a close interface with the sectoral work of the Poverty Reduction Strategy work and will work with potential 'champions' on an appropriate basis.

ii. ***Technical Criteria***: The programme is based on standard international approaches linking reform and restructuring to service delivery; a flexible approach that includes whole-or-government and strategic opportunistic reforms within chosen sectors. Moreover, given uncertainty regarding federalism, inter-governmental transfers and how to approach decentralisation the programme has built in flexibility to respond to political consensus and differences alike. Government co-financing at the sectoral level ensures that the programme is government owned and led, and that its targets are mapped across to the budget process. With regard to technical feasibility, as UN Agency capacities to support the various governance aspects of the I-PSM remain limited, the recruitment of senior (P5) positions within participating agencies is critical to programme success. Generic terms of reference have already been drawn up for this support. Moreover, the programme will interface with the World Bank, DFID, USAID and the USAID implementing partners such as the Tatweer project and the Canada School of Public Service.

iii. ***Institutional Criteria***: As the capacity of government to lead this effort requires further development in the early stages, the programme will commence with a two-day training programme covering all cross-sectoral and sectoral staff to discuss linking civil service and administrative reforms to sectoral development and service delivery. This will be linked with the ongoing preparatory phase. Moreover, with long-term advisors being seconded to the Council of Ministers Secretariat, Prime Minister's Advisory Council and Public Service Council

[23] The main activities to be undertaken during the preparatory and start-up phases, and across the four main components are indicatively outlined in section 9; work plan.

(COMSEC/PMAC/PSC) over the period of the programme, core competencies will be developed to handle programme implementation. Training courses will be provided, and the establishment of a Senior Executive Service will be scoped out around which a senior civil service cadre would emerge as the major long-term stakeholders of the reform and restructuring programme. This will also include leadership and change management training.[24]

iv. ***Financial and Economic Criteria***: Given the need to be cost efficient and effective, technical advisory services will largely be procured to support government directly, as requested by the Prime Minister's Office. Fiscal sustainability, allocative and operational efficiencies will be delivered as outputs with the overall programme aimed at lowering the costs of government service delivery whilst increasing effectiveness. Support to civil service development, including pay and grading, will be based on strict fiscal criteria. With the shedding of public services in certain areas a likely outcome of functional restructuring fiscal savings will be made. In setting staffing establishments to support salary de-compression reforms will be embedded with a fiscal framework.

v. ***Sectoral Coverage***: Selection of priority sectors for reform and restructuring needs to be based on needs, poverty reduction impact and ease/manageability of determining costed service delivery models. The GoI/COSIT poverty line work indicates (based on a calculation of basic food needs and non-food needs) indicate a poverty line of Iraqi Dinar 76,896 per capita/per month. Of significance there is a close correlation between access to health and education services by income quintile, showing that the 22.9 per cent of Iraq's live below the poverty line (6.9 million people), implying a poverty gap of 4.5 per cent. Access also varies by governorate with Muthanna, Babyl and Salaheddine at 49%, 41% and 40% respectively, but with the governorates of Kurdistan with less than 10%. Poor people have reduced access to education and health services and as result efforts to increase universal access requires that structural reforms are linked to budget prioritisation within sectors and geographically too. Given that both health and education are central pillars of the GoI Poverty Reduction Strategy, and that international Millennium Development Goal (MDG) targets for these sectors are seen as primary targets, these two sectors are justifiably selected for the Sectoral Reform and Modernisation component. (World Bank, Poverty Reduction Strategy 2009) Sectoral reforms therefore provide entry points for poverty reduction. Within these sectors, partnership with the World Bank and European Commission will be vital based on determination of institutional comparative advantage, to be worked out with the relevant UN agencies under this programme.[25]

Government has confirmed the programme to be implemented initially in the following three key social service sectors that most significantly impact the achievement of the Millennium Development Goals: health, education, and domestic water supply and sanitation. Target sectors must:

i. Be an area of priority national investment under the National Development Plan with substantial impact on the delivery of basic and essential services;
ii. Support core Poverty Reduction Strategy and Millennium Development Goal targets;
iii. Be a focal sector for the UN and for donor support, to allow comparative advantages to be mobilized and the burden of delivery to be shared;
iv. Be of moderate sectoral complexity (i.e. progress should be feasible within a short-medium term frame);
v. Include no more than 2 ministries involved in administering the sector;
vi. Have a limited number of state-owned enterprises (SOE's) involved in service delivery, as the I-PSM is not a privatization programme;
vii. Have clear entry points for reform and modernisation, costed service delivery development and decentralization;
viii. Demonstrate impact on poverty reduction, fiscal sustainability and economic growth;
ix. Have ministerial commitment to champion and cost-share modernization; and,

[24] The overall objectives of the SES is proposed to develop the culture of the public sector as a rigorous performance-based and outcome-focused workforce, to increase the performance and productivity of the public sector and increase opportunities for lateral recruitment and mobility enhance management skills.

[25] Under the PRS, health care activities are to consider primary health care, health centers, health awareness, potable water, EPI activities and school feeding programs. In education, focal areas include primary education law enforcement, school building, SSN payment school enrolment, literacy schools, evening schools, evening industrial schools, teacher incentives, curriculum and rural labor markets and education services.

x. Have sufficient capacity within Iraq and from its international partners to support sectoral modernization at this time.

vi. ***Geographical Coverage***: The I-PSM programme is a whole-of-government programme that targets central government mandates and all governorates, including Kurdistan region. The process for approving regional level reforms will be determined by national government. Sub-national reforms will cover all governorates although at the request of the I-PSM Task Force pilot governorates might be agreed to monitor reform progress.

**Assumptions:** A programme of such scale has many assumptions, outside of both Government and UN System control which need to be taken into consideration. These include the emergence of an enabling environment for reform and modernisation, national ownership and leadership, political stability, security, effective coordination systems are in place and that the UN system and other donors are ability to mobilise high quality long term advisory support to work within government to support the overall or equivalent process. Finally it is assumed that the Public Service Council will be established alongside a Senior Executive Service as the long-term owners and champions of the I-PSM programme.

**Coordination with the Private Sector Development Programme and other on-going initiatives:**
The I-PSM programme will be closely integrated and fully coordinated with the Private Sector Development programme (PSD), given that coordination between the reform of public sector structures, particularly the state-owned-enterprises, impacts private sector operations too. Government will take a decision on how the Task Force structures for both programmes will be coordinated and integrated, given that task force membership will have common participants. It is anticipated that as the PSD develops the policy instruments in relevant ministries related to the productive sectors, the need for sectoral reform in these sectors will lead to the development of a second generation of sectors for inclusion in the I-PSM. The actual implementation of this second generation reform process may not be implemented within the 3 years of the I-PSM programme, however, planning and resource mobilization to support this expanded "roll-out" of the reform process could begin during the life of the current 3-year I-PSM programme. For example, UNIDO expects that sectoral reform in the sectors of industry and mineral resources would enhance the effectiveness of the interventions of the Private Sector Development programme. Similarly, FAO is expected to provide linkages to their respective sectoral reform initiative. The experience from the first generation of reforms described herein would enable an expeditious extension of the modernization programme to all of the productive sectors in the medium term, if resources were available from government and international partners.

The Iraq Trust Fund has recently approved the project "Water and Sanitation Master Planning and Capacity Building Programme", for a total budget of $10,557,740. The Iraqi counterparts involved are the Ministry of Municipalities and Public Works at the national level and in the Kurdistan Regional Government, and Ministry of Environment at the national level. UN agencies involved are UNDP, UNICEF, UN-HABITAT, and WHO. This programme will provide a very important complement to the I-PSM. The I-PSM will work primarily at the policy level, for the sectoral reform, and will have limited resources for implementation, whereas the Water and Sanitation Master Plannning and Capacity Building programme will support master planning in specified municipalities, and the related capacity development for these master plans. There will be information sharing between the programme teams to ensure complementarity as appropriate.

**Sustainability:**
The fundamental design principle is that the I-PSM is driven and implemented by government and is structured to deliver reforms that will be self-sustaining over time. The entry point is the establishment of the national I-PSM strategy document – as a public sector reform strategy – around which national ownership and leadership will emerge to secure the delivery of programme benefits. Moreover, given the emerging fiscal situation that the government faces, the need to free up fiscal space is likely to remain a major driver of reforms over the medium term. With a focus on developing national capacities, and on capacity sustainment, the programme removes the major risks that the closing of the programme impacts sustainability. Reforms are to be initiated by government and ownership and co-financing are fundamental design principles. Whilst the I-PSM is being planned for a period of three years, implementation by government is likely to take up to 10 years or more. The I-PSM will therefore lay the foundation for continuity and consolidation in the sectors proposed, as well as for expansion to other sectors, as indicated above.

# 5. Results Framework

The hierarchy of UN Country Team outcomes, sector outcomes, and Joint Programme outcomes, outputs, indicators, baselines and targets, and means of verification is provided in Table 1 below. The Results Framework constitutes the programme design as it now stands, based in diagnostic work carried out during 2009 for this programme, early results of the preparatory work conducted under ITF Project C9-24, and diagnostic work collected and presented by the UN Common Country Assessment 2009. Toward the end of Phase 1 of this Joint Programme, the participating agencies will propose the work plan, budgets and UN agency roles for participating agencies under Phase 2. At this time, revisions to the Results Framework will also be proposed and adopted for Phase 2.

The Joint Programme proposed outputs directly contribute to the UN Country Team's Strategic Framework 2008-2011 Governance Sector outcome and these contribute directly to the National Development Strategy and the International Compact with Iraq. The outcome of the proposed Joint Programme is "Strengthened institutions, processes and regulatory frameworks of national and local governance". In meeting this objective there are five higher-level outputs as follows: (i) creation of an enabling environment for reform and modernisation (ii) civil service management strengthening (iii) public administration system development (iv) reform and modernisation plans in target sectors and (v) decentralized service delivery improved in target sectors with local governance and participation enhanced.

***Output 1*** will be delivered by UNDP in Phase 1, with responsibility for Phase 2 to be determined. The approach is to work directly with the Executive Branch to establish programme coordination and oversight structures, to develop a fully owned national programme and to support the establishment of a sub-parliamentary committee to increase accountability.

***Output 2*** will be delivered by UNDP in Phase 1, with responsibility for Phase 2 to be determined. In strengthening the civil service legal framework the Prime Minister's Office, Council of Minister's Secretariat and Public Service Council will be the main GoI partners although laws will also need to be approved by the Council of Representatives. Baselines are not easy to establish given the range of legislation currently under implementation and a core part of the programme will be to establish a framework of existing and applicable law covering various legal provisions for civil service management.

***Output 3*** will build on successes made in output 2, using the legislation developed to design and approve a formal public sector reform and restructuring strategy and to support the establishment of the civil service commission at national and sub-national levels. This will include guidelines for all Sectoral Reform and Modernisation budget entities and link to service delivery model development. Once established, systems of generalized civil service management will be strengthened, a formal pay and grading review will be conducted using labor market comparator surveys, data and information management systems will be developed, and national capacity development and e-governance strategies will be developed, with implementation commenced in health, education and domestic water supply and sanitation.

***Output 4*** will deliver sustainable and structural reforms to the health, education, and domestic water supply and sanitation sectors through the successful completion of sectoral functional reviews and agreement by the government's Public Sector Modernisation-Task Force of reform and restructuring road maps to be implemented by the ministries involved. This output is to be coordinated with output 5, service delivery model development. The exact benchmarks for reform will be determined based on the results of the functional review.

***Output 5*** will lead to the development of service delivery models in the three sectors, including determining central, regional, governorate and district, private sector and community group involvement for service delivery. The sector costing will be conducted with the Ministry of Finance and World Bank Public Financial Management support project and will depend on benchmarks based on national targets of the Millennium Development Goals, Central Office of Statistics and Information Technology (COSIT) data and cost options developed by the Ministerial Task Forces. Capacities of local government will be analyzed and developed to ensure that the "top down" instruments for decentralized service delivery models are matched with a "bottom up" capability to engage and implement the service delivery models with stakeholder participation.

### Box 7: Senior Executive Service

A key capacity to be built is the Senior Executive Service (SES), around which a senior cadre of career professionals will emerge across the core functions of government, to increase stability and enhance service delivery. The proposed overall objective of the SES is to (i) develop the culture of the public sector as a rigorous performance-based and outcome-focused workforce (ii) to increase the performance and productivity of the public sector (iii) and increase opportunities for lateral recruitment and mobility enhance management skills. Whilst this would not be a lateral entry per se, it would allow lateral entry to occur thereby creating merit-based recruitment at the senior (above grade) level of government. The programme will be focused on public service department heads, senior executives of public service departments, heads of public authorities and senior executives and some senior positions in the education and health services.

To allow the SES to be formed support for the following activities are therefore required:

- SES Terms of Service including regulations for lateral entry;
- Code of conduct and ethics structure;
- Pay and grading structures;
- An SES personnel handbook;
- SES performance and management capability framework;
- SES management guidelines.

The SES, by design and execution, will focus the roll out of SES towards key central and sub-national governance functions, education, health, domestic water supply and sanitation sector ministries and additional ministry structures in line with the roll out of the GoI Iraq-Public Sector Modernisation programme.

## Table 1: Results Framework and Indicators for Phase 1

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Programme Title:** | **Iraq Public Sector Modernization Programme (I-PSM)** | | | | | | |
| **NDS/ICI priority/ goal(s):** | **National Development Strategy (NDS):**<br>Strengthening institutional effectiveness, good governance (inc. anti-corruption) and service delivery (i) Improved Policy Based Budget Formulation and Execution and Service Delivery (iii) Enhancing gender equity, poverty reduction and social exclusion.<br><br>**ICI Benchmarks (as per proposed Joint Monitoring Matrix 2009):**<br>1.1.1 Complete the implementation of the civil service census to support operational headcount management, payroll control and fiscal sustainability.<br>1.1.2 Pass a modern Civil Service Law to regulate personnel management arrangements and administrative reforms.<br>1.1.3 Establish the Public Service Council to regulate the affairs of public office including appointments, promotions and administrative reforms.<br>1.1.4 Establish a Government led Public Sector Modernization task force to oversee basic and first generation and strategic reform and restructuring operations | | | | | | |
| **UNCT Outcome** | Strengthened governance institutions and processes for political inclusion, accountability, rule of law and efficient service delivery | | | | | | |
| **Sector Outcome** | Outcome 4: Strengthened institutions, processes and regulatory frameworks of national and local governance | | | | | | |
| **JP Outcome 1** | Strengthened institutions, processes and regulatory frameworks of national and local governance | | | **NDS / ICI Priorities:** | | | |
| **JP Outcome** | | **UN Agency** | **Partner** | **Outcome Indicators** | **Source of Data** | **Baseline Data** | **Indicator Target** |
| Strengthened institutions, processes and regulatory frameworks of national and local governance | | All | all | Number of regulations governing civil service law adopted by the Government in accordance with recommendations for reform from the PSM-TF. | Public Service Commission | zero | one |
| **IP Outputs** | **UN Agency Specific Output** | **UN Agency** | **Partner** | **Indicators** | **Source of Data** | **Baseline Data** | **Indicator Target** |
| JP Output 1:<br>GoI is better able undertake Public Sector Modernization at national, regional and governorate levels. | 1. 1 GoI is better able undertake Public Sector Modernization at national, regional and governorate levels. | UNDP-Phase 1 | PMO<br>COMSEC<br>Governorates<br>PSC<br>PMO/COMSEC<br>CoR<br>Governorate Councils<br>NGOs/CSOs | Public Service Council (PSC) and Management Board (MB) for Civil Service in place. | PSM-TF Minutes | No | Yes |
| | | | | National PSM Task Force Established | Programme Reports | N/A | Task Force Established and Functioning |
| | | | | Women form at least 30% of the membership of Task Force and working groups | Membership List | Zero | 30 percent of membership are women |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Women issues represent at least 30% of the agenda of the Technical Assistance to the PSM Task Force | Meeting Minutes | Zero | 30 percent of agenda are women issues |
| | | | | Parliamentary sub-committee on PSM in place | Parliamentary Records | No | Yes |
| | | | | Women form at least 30% of the Parliamentary sub-committee | Membership List | Zero | 30 percent of membership are women |
| | | | | National I-PSM Strategy in Place | I-PSM Task Force Minutes | No | Yes |
| JP Output 2:<br>Civil Service Capacities Strengthened for Reform and Modernisation | 2. 1 Civil Service Capacities Strengthened for Reform and Modernisation | UNDP-Phase 1 | PSC<br>PMO<br>COMSEC<br>CoR<br>Sector Ministries<br>PMAC | Draft Civil Service Strategy formulated | I-PSM TF Minutes | No | Yes |
| | | | | Draft Civil Service legislation reviewed | National Gazette Public Service Council and CoM Meeting Minutes | Old Civil Service Legal framework | Draft law reviewed and updated in line with good practices |
| | | | | Report of Analysis of Capacity Gaps | Report of Analysis of Capacity Gaps | No | Yes |
| | | | | Capacity programme designed and developed | Programme progress report | No | Civil Service Capacity Programme Established |
| | | | | Special requirements for senior executive service merit-based recruitment, performance systems formulated | GoI/UNDP Policy Paper | None | Yes |
| | | | | Change management accountability framework drafted for CSR | Change Management Accountability Framework | None | Yes |
| JP Output 3:<br><br>GOI has capacities for improved public administration systems | 3.1 GOI has enhanced capacities to review and implement public administration systems | UNDP-Phase 1 | COMSEC<br>PMAC<br>PSC<br>MoF<br>MoPDC<br>MOPDC-COSIT<br>PSC | National e-Governance Strategy reviewed in line with improved public administration systems | Formal E-governance Strategy | Existing E-Governance Draft | E Governance Strategy Updated |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 3.2 MOPDC has improved capacities for planning and monitoring<br>3.3 MOH, MOE, MOHE, MMPW have improved capacities for planning and monitoring | UNDP-Phase 1<br>UNFPA-Phase 1 | | Options and Issues Paper for reform and restructuring of core ministries and MOPDC presented to the I-PSM TF and in place | Options & Issues Paper on Reform & Restructuring | No | Yes |
| JP Output 4:<br><br>GOI has reform and modernization plans in place for targeted sectors. | 4.1 GOI Health Sector has reform and modernization plans in place. | WHO (lead), UNFPAUNIFEM-Phase 1 | PSM-TF | Functional review of health sector at national and sub-national levels, including existing local governance arrangements is completed. | MACs and I-PSM WG | None | Function review report of Health Sector |
| | | | | Service delivery model for health sector is assessed and costed. | MACs and I-PSM WG | None | Service delivery model for health sector |
| | | | | Road map for health sector reform and modernization plans formulated. | MACs and I-PSM WG | None | Road Map for health sector |
| | 4.2 GOI Education, TVET and Higher Education Sectors have reform and modernization plans in place | UNICEF/UNESCO –Phase 1 | PSM-TF | Functional review of education and higher education sectors at national and sub-national levels, including existing local governance arrangements is completed. | MACs and I-PSM WG | None | Function review report of Education and Higher Education Sectors |
| | | | | Service delivery model for education and higher education sector is assessed and costed. | MACs and I-PSM WG | None | Service delivery model for primary education sector |
| | | | | Road map for education and higher education sector reform and modernization plans formulated. | MACs and I-PSM WG | None | Road Map for education and higher education sectors |
| | 4.3 GOI Domestic Water Supply and Sanitation Services Sector has reform and modernization plans in place. | UNICEF<br>UN-Habitat<br>UNDP<br>Phase 1 | PSM-TF | Functional review of domestic water supply and sanitation sector at national and sub-national levels, including existing local governance arrangements is completed. | MACs and I-PSM WG | None | Function review report of domestic water supply and sanitation Sector |
| | | | | Service delivery model for domestic water supply and sanitation sector is assessed and costed. | MACs and I-PSM WG | None | Service delivery model for domestic water supply and sanitation sector |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Roadmap for domestic water supply and sanitation sector reform and modernization plans formulated. | MACs and I-PSM WG | None | Road Map for domestic water supply and sanitation sector |
| | 4.4 GOI is provided with review of aggregate, cross-cutting structural issues to enable fiscal and administrative decentralized service delivery | UNDP-Phase 1 | PSM-TF | Aggregate, cross-cutting structural issues are identified and reviewed to enable fiscal and administrative decentralized service delivery | PSM-TF Reports | None | Aggregate review is completed. |
| | 4.5 GOI is provided with options for citizen participation and public-private partnerships for enhanced service delivery | UNESCWA- Phase 1 | PSM-TF | Number of functional reviews that include options for public-private partnerships for service delivery. | Functional Review Reports | None | At least 2 functional reviews include options for public-private partnerships for service delivery. |
| JP Output 5: Decentralized Service Delivery Improved in Target Sectors with Local Governance and Participation Enhanced | 5.4 Local Government has strengthened organizational structures and mechanisms to undertake decentralized service delivery | UNDP<br>UNHABITAT<br>Phase 1 | PSM-WG<br>MoGA<br>Higher Commission for Local Government<br>Governorate Councils<br>District Councils<br>ILGA | Number of governorates undergone organisational review for decentralized service delivery | D and LG TF reports | None | Three governorates selected |
| | 5.6 Select governorates have mechanisms for improved citizen participation in decentralized service delivery | UNDP (lead)<br>UNHABITAT<br>UNESCWA<br>Phase 1 | PSM-WG<br>MoGA<br>Governorate Councils<br>NGOs/CSOs | Public Perception of local government survey completed | Survey report | No | Yes |

**Iraq Public Sector Modernization (I-PSM) Program**

# Results Framework and Indicators for Phase 2

| | |
|---|---|
| **Programme Title:** | **Iraq Public Sector Modernization Programme (I-PSM)** |
| **NDS/ICI priority/ goal(s):** | **National Development Strategy (NDS):**<br>Strengthening institutional effectiveness, good governance (inc. anti-corruption) and service delivery (i) Improved Policy Based Budget Formulation and Execution and Service Delivery (iii) Enhancing gender equity, poverty reduction and social exclusion.<br><br>**ICI Benchmarks (as per proposed Joint Monitoring Matrix 2009):**<br>1.1.1 Complete the implementation of the civil service census to support operational headcount management, payroll control and fiscal sustainability.<br>1.1.2 Pass a modern Civil Service Law to regulate personnel management arrangements and administrative reforms.<br>1.1.3 Establish the Public Service Council to regulate the affairs of public office including appointments, promotions and administrative reforms.<br>1.1.4 Establish a Government led Public Sector Modernization task force to oversee basic and first generation and strategic reform and restructuring operations |
| **UNCT Outcome** | Strengthened governance institutions and processes for political inclusion, accountability, rule of law and efficient service delivery |
| **Sector Outcome** | Outcome 4: Strengthened institutions, processes and regulatory frameworks of national and local governance |
| **JP Outcome 1** | Strengthened institutions, processes and regulatory frameworks of national and local governance |
| | **NDS / ICI Priorities:** |

| JP Outcome | UN Agency | Partner | Outcome Indicators | Source of Data | Baseline Data | Indicator Target |
|---|---|---|---|---|---|---|
| Strengthened institutions, processes and regulatory frameworks of national and local governance | All | all | Number of regulations governing civil service law adopted by the Government in accordance with recommendations for reform from the PSM-TF. | Public Service Commission | zero | one |
| | All | all | Percentage of Change Management Accountability Framework implemented | PSM-TF | zero | 60% |
| | All | all | Percentage of service delivery guidelines that are gender sensitive | PSM-TF | zero | 100% |
| | All | all | Percentage of senior executive service members satisfied with the implementation of CS reform and modernization | Public Service Commission | zero | 60% |
| | all | all | Percentage increase of women in middle and senior management as | Public Service | zero | 50% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | part of Civil Service reform | Commission | | |
| | | all | all | Percentage increase in satisfaction of civil servants with revised administrative systems | Public Service Commission | zero | 50% |
| | | all | all | Percentage of increase in client satisfaction with health services in governorates applying decentralized service delivery models | PSM-TF | zero | 25% |
| | | all | all | Percentage of increase in client satisfaction with education services in governorates applying decentralized service delivery models | PSM-TF | zero | 25% |
| | | all | all | Percentage of Iraqi citizens in the four selected governorates report satisfaction with the level of citizen participation in decentralized service delivery models | PSM-TF | zero | 30% |
| | | all | all | Percentage of specialized CSOs in target districts involved in the implementation of decentralized service delivery models | PSM-TF | zero | 20% |
| **IP Outputs** | **UN Agency Specific Output** | **UN Agency** | **Partner** | **Indicators** | **Source of Data** | **Baseline Data** | **Indicator Target** |
| JP Output 1:<br>GoI is better able undertake Public Sector Modernization at national, regional and governorate levels. | 1. 1 GoI is better able undertake Public Sector Modernization at national, regional and governorate levels. | TBD | PMO<br>COMSEC<br>Governorates<br>PSC<br>PMO/COMSEC<br>CoR<br>Governorate Councils<br>NGOs/CSOs | Public Service Council (PSC) and Management Board (MB) for Civil Service in place. | PSM-TF Minutes | No | Yes |
| | | | | Percent of PSC and MB member trained on PSM basic concepts. | Training Reports | Zero | 90 percent of PSC and MB members trained. |
| | | | | Percentage of trainees satisfied with the usefulness and relevance of the training. | Training Reports | Zero | 80 percent of trainees are satisfied |
| | | | | National PSM Task Force Established | Programme Reports | N/A | Task Force Established and Functioning |
| | | | | Women form at least 30% of the | Membership List | Zero | 30 percent of |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | membership of Task Force and working groups | | | membership are women |
| | | | | Women issues represent at least 30% of the agenda of the Technical Assistance to the PSM Task Force | Meeting Minutes | Zero | 30 percent of agenda are women issues |
| | | | | Number of working groups supporting the implementation of PSM. | Meeting Minutes | Zero | Six working groups |
| | | | | Lessons learned report produced to contribute to replication of reform and modernisation. | Lessons Learned Report | Zero | Completed Lessons Learned Report |
| | | | | Parliamentary sub-committee on PSM in place | Parliamentary Records | No | Yes |
| | | | | Women form at least 30% of the Parliamentary sub-committee | Membership List | Zero | 30 percent of membership are women |
| | | | | National I-PSM Strategy in Place | I-PSM Task Force Minutes | No | Yes |
| | | | | Number of Decentralization and Local Governorate Task Forces provided with technical assistance for the PSM implementation in selected governorates | Governorate Task Force Meeting Minutes | Zero | Three governorates |
| | | | | Number of CSOs and NGOs participating in the reform process | Governorate Task Force Meeting Minutes | Not Available | All member groups participate |
| | | | | Women issues represent at least 30% of the agenda of the Technical Assistance to the Decentralisation and Local Governorate Task Force | Governorate Task Force Meeting Minutes | Zero | 30 percent of agenda are women issues |
| JP Output 2:<br>Civil Service Capacities Strengthened for Reform and Modernisation | 2. 1 Civil Service Capacities Strengthened for Reform and Modernisation | TBD | PSC<br>PMO<br>COMSEC<br>CoR<br>Sector Ministries<br>PMAC | Draft Civil Service Strategy formulated | I-PSM TF Minutes | No | Yes |
| | | | | Draft Civil Service legislation reviewed | National Gazette Public Service Council and CoM Meeting Minutes | Old Civil Service Legal framework | Draft law reviewed and updated in line with good practices |
| | | | | Improved Policy Management Capacities across Executive Entities | Evaluations | No | Yes |
| | | | | Number of draft regulations updated | National Gazette | Existing regulations | Four areas of civil service regulations issued with orders for their application |
| | | | | Report of Analysis of Capacity Gaps | Report of Analysis of | No | Yes |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Capacity Gaps | | |
| | | | | Capacity programme designed and developed with inclusion of women and people with disabilities | Programme progress report | No | Civil Service Capacity Programme Established |
| | | | | Percent of Civil Servants Trained to Implement Capacity Programme, including women and people with disabilities | Training report | Existing management programme insufficient | Subject to Capacity Gap Analysis |
| | | | | Special requirements for senior executive service merit-based recruitment, performance systems formulated | GoI/UNDP Policy Paper | None | Yes |
| | | | | Change management accountability framework drafted for CSR | Change Management Accountability Framework | None | Yes |
| | | | | Number of senior executive service members trained to implement and monitor the CS reform and modernization | Training Report | None | 200 SES members trained |
| | | | | Senior Executive Service leading change management | Public Service Council meeting minutes | None | SES leading change management |
| JP Output 3:<br><br>GOI has capacities for improved public administration systems | 3.1 GOI has enhanced capacities to review and implement public administration systems | TBD | COMSEC<br>PMAC<br>PSC<br>MoF<br>MoPDC<br>MOPDC-COSIT<br>PSC | Number of standard administrative systems reviewed and revised | PSCS<br>COMSEC<br>UNDP<br>Reports | Zero | At least six |
| | | | | Number of tailor-made training modules to implement revised standard administrative systems (gender sensitive) | PSC - COMSEC | None | Six modules |
| | | | | Number of GOI staff (disaggregated by sex) trained on revised administrative systems | PSC - COMSEC | None | Number of GoI staff trained |
| | | | | National e-Governance Strategy reviewed in line with improved public administration systems | Formal E-governance Strategy | Existing E-Governance Draft | E Governance Strategy Updated |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 3.2 MOPDC has improved capacities for planning and monitoring<br><br>3.3 MOH, MOE, MOHE, MMPW have improved capacities for planning and monitoring | | | Number of improved management information /monitoring systems in place by MOPDC-COSIT | MOPDC-COSIT reports | Data collected for MDG monitoring but no unified systems in place | MOPDC-COSIT |
| | | | | Number of ministries that have improved management information /monitoring systems in place | MOPDC-COSIT reports | Data collected for MDG monitoring but no unified systems in place | Four ministries |
| | | | | Number of action plans for implementation of e-governance in target sectors | PSC reports | Existing E-Governance Draft | At least 2 action plans |
| | | | | Options and Issues Paper for reform and restructuring of core ministries presented to the I-PSM TF and in place | Options & Issues Paper on Return & Restructuring | No | Yes |
| JP Output 4:<br><br>GOI has reform and modernization plans in place for targeted sectors. | 4.1 GOI Health Sector has reform and modernization plans in place. | TBD | PSM-TF | Functional review of health sector at national and sub-national levels, including existing local governance arrangements is completed. | MACs and I-PSM WG | None | Function review report of Health Sector |
| | | | | Service delivery model for health sector is assessed and costed. | MACs and I-PSM WG | None | Service delivery model for health sector |
| | | | | Road map for health sector reform and modernization plans formulated. | MACs and I-PSM WG | None | Road Map for health sector |
| | 4.2 GOI Education, TVET and Higher Education Sectors have reform and modernization plans in place | TBD | PSM-TF | Functional review of education and higher education sectors at national and sub-national levels, including existing local governance arrangements is completed. | MACs and I-PSM WG | None | Function review report of Education and Higher Education Sectors |
| | | | | Service delivery model for education and higher education sector is assessed and costed. | MACs and I-PSM WG | None | Service delivery model for primary education sector |
| | | | | Road map for education and higher education sector reform and modernization plans formulated. | MACs and I-PSM WG | None | Road Map for education and higher education sectors |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 4.3 GOI Domestic Water Supply and Sanitation Services Sector has reform and modernization plans in place. | TBD | PSM-TF | Functional review of domestic water supply and sanitation sector at national and sub-national levels, including existing local governance arrangements is completed. | MACs and I-PSM WG | None | Function review report of domestic water supply and sanitation Sector |
| | | | | Service delivery model for domestic water supply and sanitation sector is assessed and costed. | MACs and I-PSM WG | None | Service delivery model for domestic water supply and sanitation sector |
| | | | | Roadmap for domestic water supply and sanitation sector reform and modernization plans formulated. | MACs and I-PSM WG | None | Road Map for domestic water supply and sanitation sector |
| | 4.4 GOI is provided with review of aggregate, cross-cutting structural issues to enable fiscal and administrative decentralized service delivery | TBD | PSM-TF | Aggregate, cross-cutting structural issues are identified and reviewed to enable fiscal and administrative decentralized service delivery | PSM-TF Reports | None | Aggregate review is completed. |
| | 4.5 GOI is provided with options for citizen participation and public-private partnerships for enhanced service delivery | TBD | PSM-TF | Number of functional reviews that include options for public-private partnerships for service delivery. | Functional Review Reports | None | At least 2 functional reviews include options for public-private partnerships for service delivery. |
| JP Output 5: Decentralized Service Delivery Improved in Target Sectors with Local Governance and Participation Enhanced | 5.1 Ministry of Health is able to implement decentralized service delivery with enhanced citizen participation | TBD | MoPDC Ministry of Health Governorate Councils World Bank | Number of MOH staff trained on implementation and monitoring for new service delivery model. | Training Reports | None | X number TBD of MOH staff trained on implementation and monitoring for new service delivery model. |
| | | | | Change management task force provided with technical support in the area of decentralisation. | PSM-TF reports | None | Yes |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Advocacy and communication strategy drafted | PSM-TF reports | No | Yes |
| | | | | Monitoring system in place. | PSM-TF reports | Not avail. | Yes |
| | 5.2 Ministries of Education and Higher Education are able to implement decentralized service delivery with enhanced citizen participation | TBD | MoPDC<br>Ministry of Education<br>Ministry of Higher Education<br>Governorate Councils<br>World Bank | Number of MOE and MOHESR staff trained on implementation and monitoring for new service delivery model. | Training Reports | None | X number TBD of MOE and MOHESR staff trained on implementation and monitoring for new service delivery model. |
| | | | | Change management task force provided with technical support in the area of decentralized service delivery | PSM-TF reports | None | Yes |
| | | | | Advocacy and communication strategy drafted | PSM-TF reports | No | Yes |
| | | | | Monitoring system in place. | PSM-TF reports | Not Available | Yes |
| | 5.3 Ministry of Municipalities and Public Works is able to implement decentralized service delivery with enhanced citizen participation | TBD | MoPDC<br>Ministry, MMPW, MoWR, ,<br>Governorate Councils<br>World Bank | Number of MoPDC, MoA and/or MoWR Ministry staff trained on implementation and monitoring for new service delivery model. | Training Reports | None | X number TBD of MMPW staff trained on implementation and monitoring for new service delivery model. |
| | | | | Change management task forces provided with technical support in the area of decentralized service delivery | PSM-TF reports | None | Yes |
| | | | | Advocacy and communication strategy drafted. | PSM-TF reports | No | Yes |
| | | | | Monitoring system in place. | PSM-TF reports | Not Available | Yes |
| | 5.4 Local Government has strengthened organizational structures and mechanisms to undertake decentralized service delivery | TBD | PSM-WG<br>MoGA<br>Higher Commission for Local Government<br>Governorate Councils<br>District Councils | Number of governorates undergone organisational review for decentralized service delivery | D and LG TF reports | None | Three governorates selected |
| | | | | Number of bylaws and codes reviewed and or drafted | D and LG TF reports | Not available | 3 |
| | | | | Number of governorates oriented on piloted governance initiatives | Governorate progress reports | 0 | 3 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | ILGA | | | | |
| | 5.5 Vertical and horizontal intergovernmental relations improved with discussion forums in place and partnerships with international and regional local government organisations created. | TBD | Decentralisation and Local Governance Task Force/ILGA/ Higher Commission for Local Government | Number of government-led co-ordination meetings convened on local governance of decentralised service delivery | Meeting reports | Minutes of the ILGA | 15 inter-government meeting ILGAs to discuss decentralized service delivery |
| | | | | Engagement and partnership programme promoting vertical and horizontal linkages???? in place | Engagement agreement and contract | Not in place | Contract with ILGA signed |
| | | | | Number of local governance initiatives implemented | Partnership programme reports | 0 | 6 initiatives including plans for city-to-city co-operation, exchange visit or support Iraq's membership of international organisation. |
| | 5.6 Select governorates have mechanisms for improved citizen participation in decentralized service delivery | TBD | PSM-WG MoGA Governorate Councils NGOs/CSOs | Number of citizen participation mechanisms in decentralized Service Delivery in place | PSM-WG Reports NGO/CSO reports Governorate Council reports | 0 | 3 |
| | | | | Number of CSOs trained on participation in decentralization service delivery mechanisms | Training report | 0 | 10 |
| | | | | Percentage of those trained (disaggregated by sex) satisfied with quality of training in terms of relevance and usefulness | Post training participants' assessment | NA | 80% |
| | | | | Public Perception of local government survey completed | Survey report | No | Yes |
| | | | | Communications strategy for select governorates drafted | Governorate reports | No | Yes |
| | | | | Number of public awareness campaigns on decentralization conducted | Campaign reports | 0 | 3 |

## 6. Management and Coordination Arrangements[26]

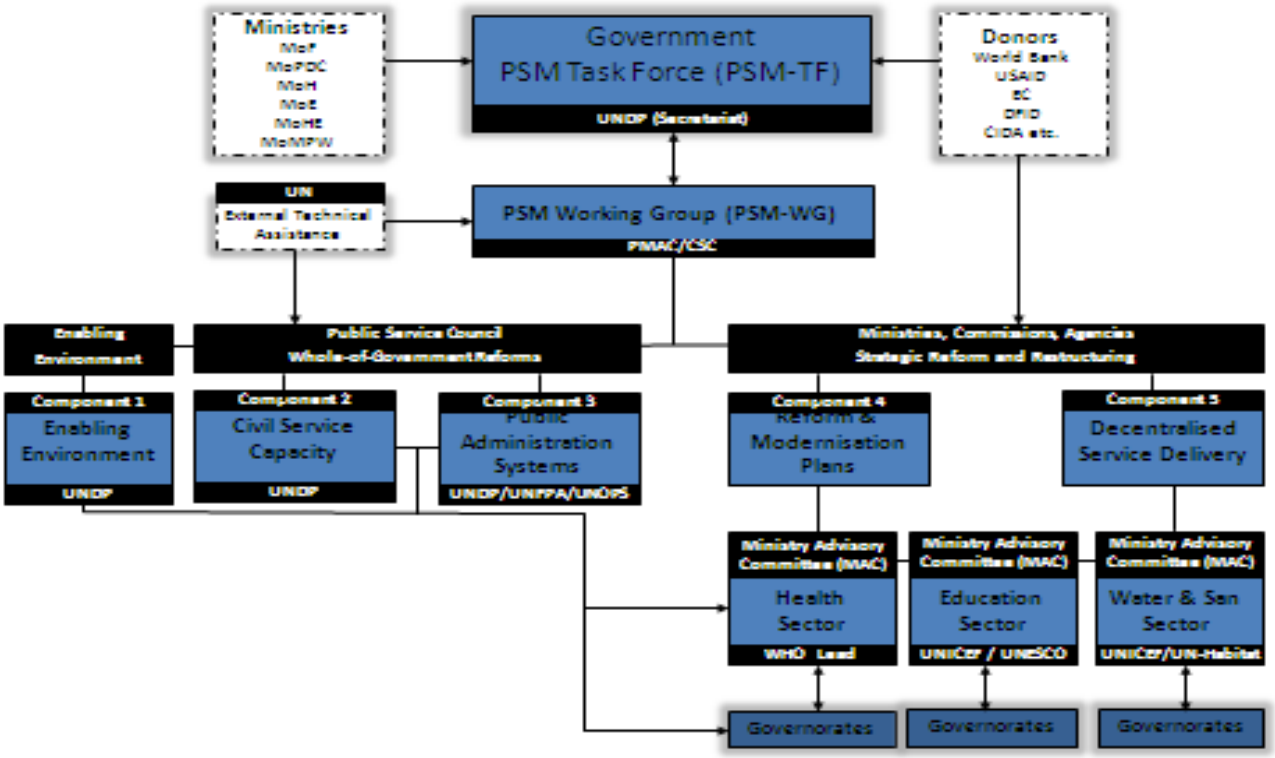
### Management and Delivery Structure

The Public Sector Modernisation programme is a government led national programme, supported by the UN Country Team. The management and coordination arrangements for the programme are outlined in Figure 2 below, and supported by the following description of roles and responsibilities.

### GoI Public Sector Modernization Task Force (I-PSM-TF)

The I-PSM programme is a government led national development programme. As such, the GoI is to establish a Public Sector Modernisation Task Force (PSM-TF) to include executive officials only. The Chair of the Task Force will be appointed by the Prime Minister's Office. Likely membership will include the Ministers of Finance, Planning and Development Cooperation, Health, Education, Municipalities and Public Works, Secretary General of the Council of Minister's Secretariat, the head of the Prime Minister's Advisory Committee and once established Chairperson of the Public Service Council. Other executive officials can join Task Force at the determination of its leadership on a needs basis, as the programme scales to include other government entities.

**Figure 4: Iraq-Public Sector Modernisation Management & Coordination Structure**




The Task Force does not substitute or duplicate the constitutional or legal mandates of the Public Service Council or any ministry or other body with specialized authorities and responsibilities, however, the Task Force will coordinate the Government's overall change management process for reform. The PSM-TF will meet quarterly and is tasked with the following broad responsibilities, to be formalized through approval of a formal mandate agreed at the first meeting:

i. Overall coordination of the public sector modernization programme;

[26] This section elaborates the program planning and management responsibilities and commitments of partners and participating UN Organizations although the Joint Programme Document does not substitute for agency-specific arrangements required by respective internal policies.

ii. Policy leadership with regards public administration strategy direction, shape and prioritization;
iii. Development and approval of the national PSM Programme Document;
iv. Approval of annual work plans and budgets for reform and restructuring operations;
v. Resolving problems, providing direction and tasking the PSM Working Group.

Coordination frameworks within I-PSM will complement and strengthen existing institutional and governmental donor coordination mechanisms. There will be a Programme Steering Committee that coordinates implementation of the programme, but in terms of sectoral coordination, the UN participating agencies will fully partner with existing national mechanisms. Under Phase 1 UNDP will provide support to the PSM-TF and to a GOI secretariat, including preparation of meetings, donor coordination and providing technical support on a case-by-case basis. Head of donor agencies including US/Embassy/USAID, World Bank, European Commission, DFID and CIDA will participate to strengthen overall harmonization and alignment, in fulfillment of the principles of the Paris Declaration. Meetings are to be held quarterly in the offices of Council of Ministers Secretariat. UN agency roles will be determined for Phase 2.

**PSM Working Group (PSM-WG)**
Under the overall coordination and leadership of the government's Public Sector Management –Task Force, a national Public Sector Modernisation Working Group is to be established, to be supported in Phase 1 by UNDP, UNICEF, UNESCO, and WHO, and by international public sector reform advisors provided by the I-PSM programme, including advisors from UNFPA, UN-Habitat, UNIFEM and UNESCWA. Representatives of the World Bank, USAID, EC, DFID/ASI and CIDA are to be invited to join. The PSM-WG will report to the PSM-TF. The role of the PSM-WG is to oversee the implementation of decisions taken by the Task Force covering both whole-of-government and strategic reform and restructuring operations and it will therefore be convened in the week following PSM-TF meetings. The PSM-WG will issue progress reports and future work outlook on a six-monthly basis. Phase 2 roles will be determined at the end of Phase 1.

**Public Service Council**
Once established the Public Service Council will be directly responsible, in line with its newly established legal mandate, with overseeing all primary civil service management legislative and management functions, centrally, and through its governorate offices. The programme will deliver civil service and administrative restructuring advisors to the PSC. Once a standard approach to conducting functional reviews and defining service delivery models has been developed then the PSC will, in line with its mandate, agree reform and restructuring proposals submitted via government entities.

**Ministry Advisory Committees (MAC)**
As part of the I-PSM programme, Ministers will lead the reform and restructuring of their own Ministry, based on the results of the functional review and costed service delivery models, and to be managed by Ministerial Advisory Committees (MACs). The sectoral MAC's for health, education and domestic water supply and sanitation service delivery will be supported by specialized UN Agencies, acting as sectoral secretariats, and can also be supported by other donors as required and determined by Government. The formal mandates for the sectoral MAC's will be established by the PSM-TF and will include annual reform targets and processes.

**UNCT Programme Coordination**
At the level of the UN Country Team, an international Programme Coordinator will be recruited by UNDP for Phase 1. The Programme Coordinator will act as primary interlocutor on behalf of the UN Programme team, and will therefore be a key interface with the government's Public Sector Modernisation Task Force, PSM-Working Group and other relevant stakeholders. Based out of Baghdad, the Programme Coordinator will report on behalf of all member UN agencies to the Chair of the Public Sector Management-Task Force, and consolidate for that purpose progress reports and other required documentation from other agencies. The Programme Coordinator will report to the UN lead agency of the Programme (UNDP). The Programme Coordinator shall ensure the coordination and complementarities of agency work-plans and their timely execution and will be supported by full time public sector reform experts recruited by the sectoral UN Agencies as part of a consolidated approach. Phase 2 roles will be determined at the end of Phase 1.

**UN Agency Senior Sectoral Programme Advisors**
Inter-agency agreements for substantive cooperation among UN agencies with comparative advantages in specified technical areas will be developed. WHO will have an agreement with UNFPA in the specific areas of reproductive health, including commodity security and with UNIFEM on gender cost analysis tools for informed policy decision-

making. UNDP will have an agreement with UNESCWA for development of participatory governance, as indicated in the work plan. UNDP will have an agreement with UNFPA for development of information and data systems, as specified in the workplan, and with UNOPS for implementation support. These agreements will apply to Phase 1. Phase 2 roles will be determined at the end of Phase 1.

For Phase 1, senior international Public Sector Modernisation Programme Advisors with a strong background in public sector reform and/or management will be recruited to support the Programme Coordinator and undertake agency responsibilities for UNDP, WHO, UNICEF, UNESCO, UNFPA, UN-HABITAT, UNIFEM and UNESCWA. Together the programme advisors will constitute a Public Sector Management Advisory Pool reporting in matrixed form to their respective agency and to the Programme Coordinator and mobilized to support the work of the Ministerial Advisory Committees in developing sectoral reform and restructuring road maps and costed service delivery models. The Programme Advisors will also act as the project managers for the execution of their agency's support to deliver the sectoral programme components. UNOPS will similarly designate a senior officer to manage their programme support. The Programme Coordinator and Programme Advisors and the UNOPS senior programme support officer will constitute the Programme Management Team (PMT), whose presence in Baghdad will ensure a close, day-to-day coordination with the Programme's main counterparts in the GOI, as well as other key national and international actors in the area of public sector reform. The Programme Management Team and senior advisors will preferably be physically based in the premises of the Government.[27] UN agency roles for Phase 2 will be determined at the end of Phase 1.

**UN-Agency Sectoral Support**

Notwithstanding the above integrated management structure, components 4 (reform and restructuring) and 5 (service delivery development) will be directly executed by partner UN agencies who retain the overall management responsibility and accountability for their respective support programmes. For the purpose of relations with the Administrative Agent of the UN Development Group Iraq Trust Fund, and in accordance with its regulations, each agency component in this programme shall be considered a separate project for which individual project budgets are submitted (see Annex B). Notwithstanding the need for overall programme coordination, financial reporting shall be done by individual agencies to the UNDG ITF. Inter-Agency Agreements will not result in additional overhead costs to the programme.

**Stakeholder Coordination**

The primary stakeholders of this programme are government officials, parliamentarians, senior civil servants and through the development of decentralised service delivery, sub-national governors and civil society. Secondary stakeholders include all those involved in programme formulation and delivery, including users of government services. At the level of government, stakeholder coordination will be provided at three levels (i) through the I-PSM Task Force (ii) through the national I-PSM Working Group and (iii) through sector based Ministerial Advisory Committees. At the level of the UN, the entire programme is being coordinated by UNDP, with UN Agencies responsible for coordination at the sector level. Furthermore, within the UN system close coordination between the I-PSM and Private Sector Development programmes will be established with the Council of Minister's Secretariat and close collaboration will be provided with the UN Country Team and the Economic Recovery and Diversification Sector Outcome Teams. The PSM-TF will coordinate donor support and will therefore work towards alignment and harmonization.

Donor engagement in the I-PSM is not only anticipated it is also essential. Ongoing donor initiatives that call for stakeholder coordination are as follows: The World Bank public finance management and education and health strategy development programmes are initiatives that need to be closely coordinated with the Public Sector Modernisation programme. At the outset, World Bank representation on the PSM-Task Force will be critical to coordinating civil service, administrative and economic management reforms. The USAID financed Tatweer programme is also of great significance given its focus on improving governance capacity, and as the PSM proposes to work on form and function strengthening too, both programmes will benefit from close coordination. The DFID/ASI support programme, although scaling down, has provided much needed support in the areas of civil service and executive management and also in the area of Public Financial Management/Public Expenditure Management. The European Union, whose assistance to various public sector governance programmes will be an important stakeholder and direct contributions to sectoral strengthening will be sought. Finally, Canadian and Spanish support in the area civil service management and financing for preparatory institutional audits will strengthen consolidation.

[27] The PD and PA UNDP will be located in the Office of the Council of Ministers or Civil Service Commission and the sector PAs located in the office of their line ministry.

## 7. Programme Feasibility: Risk Management and Sustainability

There are numerous risks in the context of current day Iraq that need to be taken into consideration in programme design, to allow risks to be mitigated and threats to be reduced. Whilst by most international standards these risks are fairly high, the risks of non-engagement also need to be factored in. As a result, and based on the modest successes made by many other reform oriented programmes in Iraq, the risks are acceptable and have been minimised in the programme design, as outlined below.

**Table 4: Risk Assessment for the I-PSM Programme**

| Risks | Risk Factors | Level | Counter Measure |
|---|---|---|---|
| **Political** | Lack of political support for the reform agenda | High/ Medium | Focus on delivering services as a route to decentralisation not decentralisation per se, also GoI led programme design |
| **Security** | Security transition incomplete, undermines focus of government and role of technical support | High | Limited provincial visibility and TA procurement supports independent consultancy support to work direct with government. |
| **Legislative Policy** | Risk that overall PSM reform approach not supported subsequent to the forthcoming elections | Medium/ Low | Civil Service Council not established until following elections, programme design flexible with an equal focus on appropriate engagement. |
| **Civil Service Management** | Sparse civil service management capacity exists undermining strong champion of reform | Medium | Work with COMSEC and PMAC until capacity established, solid training component and capacity development support |
| **National Capacity** | Limited experience of such reforms in current administration may lead to resistance and limited traction | Medium | Core ministries selected, training provided, processes institutionalised and possible senior executive service initiated to create senior civil service cadre |
| **National Leadership** | Few champions of reform in current administration, or champions not in appropriate position | Medium | The sectoral MAC will provide focus for re-establishing senior civil cadre to handle policy and institutional reforms |
| **Implementation Timing** | Formation of new government is delayed by the political process following national elections in March 2010 | Medium | Technical assistance processes continue with interim government structures |
| **Decentralization** | Risk that political devolution pushes rapid decentralisation agenda that PSM reform programme cannot deliver on. | Low | Focus on technical approaches to enhance decentralisation as required on a sector by sector basis and based around service delivery functional roles |
| **National Coverage** | Kurdistan is considering own public sector reform programme | Medium/ Low | PSM remains a whole-of-Iraq programme with decisions over subsidiarity left to PMO/COMSEC and PSM-TF |
| **Sub-national Capacity** | Poorly designed devolution and ineffective decentralisation undermines PSM outcomes | High | No explicit sub-national piloting but rather a whole of government approach to service delivery |
| **Fiduciary Management** | Risks of misappropriation of funds, corruption, ineffective usage | Low | Funds utilisation in accordance with strict UN fiduciary management processes and not co-mingled with GoI Treasury System |
| **Donor Coordination** | Risk of parallel structures, weak harmonisation and alignment | Low | PSM-TF to secure effective whole-of-government and whole-of-international community coordination. |
| **Sustainability** | No GoI buy in and reform programme fails to gain traction. | Low | GoI leadership of PSM-TF, government co-financing and appropriate strategic reform process |
| **Results Evaluation** | Outcome and outputs hard to measure and monitor | Low | Joint GoI/U System monitoring of clearly identified indicators and sources of verification |

# 8. Monitoring, Evaluation, and Reporting

The I-PSM programme is designed to meet the requirements for monitoring, evaluation and reporting as stipulated within the Memorandum of Understanding of the UN Development Group Iraq Trust Fund as well as by the standard policies and procedures of each agency. In addition, based on the specific nature of the programme itself, the following additional monitoring, evaluation and reporting procedures will be followed to track progress towards meeting the outcome of the public sector reform programme.

**Joint Monitoring and Evaluation**

The PSM Working Group will be responsible for the overall monitoring and supervision of this programme and as a result monitoring and evaluation will be jointly conducted with government, and across the agencies. The PSM-WG will meet on a quarterly basis, and more frequently if required by its members, to review progress against the annual work plan set by the PSM-Task Force. In real terms the joint monitoring and supervision will be overseen by the Programme Coordinator and supported by the pool of senior public sector programme advisors who will work with government to monitor progress within their selected sector. Monitoring and supervision exercises will assess the performance of outputs and their contributions towards the outcome.

**Six Monthly Reports**

Six-monthly progress reports will provide an assessment of progress against outputs, stipulated indicators and their contribution towards the outcome as stated in the results framework, and as measured by the corresponding indicators. In all cases an evidence-based approach will be used and the results framework will be updated with new objectively verifiable indicators, means of verification and assumptions as the programme rolls out. The six-monthly report will focus on output-to-outcome level results but also in identifying major problems to be addressed by the Task Force, the Working Group, Management Advisory Committees or the Programme Coordinator. The results of the six monthly reports will be presented at the Task Force meeting to provide an evidence based approach upon which recommendations and corrective measures will be proposed. Actions to be taken will be jointly agreed by the Task Force and directives provided accordingly. Donors will also be invited to contribute towards this process in particular where their activities are being coordinated within the national programme framework.

**Quarterly Progress Reviews**

In addition to the above, the Programme Management Team shall hold quarterly progress reviews to present the activities of all UN partner agencies, with this exercise being coordinated by the Programme Coordinator. The quarterly meetings will review the agency work plans, within the framework of the wider programme, and focus on the activity level and its contribution to output components, with suggestions for corrective measures and remedial actions being generated. The results of this quarterly review process will feed into the six monthly reporting process, linking activities to outputs and outputs to outcomes results tracking. This process will also report at the aggregate level total quarterly expenditures, the composition of spending and its contribution towards meeting programme results.

As indicated in Section 4, this programme is presented in two tranches. The benchmark for completion of the first tranche is the completion of the Government's National Iraq Public Sector Modernisation Strategy, as documented in the relevant I-PSM Task Force minutes. It is expected that this will be achieved by the end of the third quarter of the programme. Achievement of this benchmark for release of the second tranche will be reported in the respective Quarterly Progress Review, which will be elevated to the Steering Committee for its decision to authorize release of the second tranche, as indicated in the budget.

**Annual Review Exercise**

An annual programme review exercise will be organised at the level of the Task Force, around which the annual work plan can be monitored and future work plan and priorities determined. The evaluation, which will be conducted in accordance with theory-based-evaluation will not only assess the results of the programme, agreeing any revisions required to work-plans and implementation modalities, but will be a participatory process to the extent possible by conducting key informant and focus group discussions within the ministries.

**External Evaluations**

An external evaluation will be conducted of Phase I as a condition of approval of Phase II of the programme. The evaluation will be done toward the end of Phase I in such a way that there is no gap in the activities, technical assistance

and support to government of Phase I and Phase II. An external evaluation will also be undertaken in the final year of the programme to (i) assess the contributions of the programme towards the outcome while distinguishing these from the influence of other, external factors (ii) assessing the efficiency of the programme in meeting stipulated results (iii) informing decisions on whether to expand, modify or eliminate activities and component outputs (iv) drawing lessons for improving the design and management of future activities (v) comparing the effectiveness of alternative interventions and (vi) strengthening accountability for results. This will be a joint GoI / UN Agency evaluation led by UNDP and will be coordinated with the GoI and UN staff responsible for execution and coordination.

**Reporting**

In terms of UN Development Group Iraq Trust Fund reporting, the Programme Coordinator shall consolidate narrative progress reports from all member agencies in accordance with Iraq Trust Fund requirements, so as to provide a comprehensive account of progress for the entire Programme. In accordance with UNDG ITF regulations, each individual UN agency shall issue separate financial statements and reports and directly submit to the UNDG ITF.

# 9. Work Plans and Budgets

The attached work plan is divided into Phase 1 for Year 1 and Phase Two, comprising Years 2-4 of the programme. The work plan for Phase Two is indicative, and will need to be modified at the end of Phase 1 to reflect the final design and structure of the government's Public Sector Modernisation Strategy, expected to be adopted by government in late 2010 or early 2011. Together with the work plan, the Phase 2 budget, agency roles and revised Results Framework will be formulated at the end of Phase 1 and approved for Phase 2, prior to the disbursement of the funds for Phase 2.The work plan is structured around the five basic programme outputs and is disaggregated by UN Agency activities, as this is a joint programme. Following the standard presentation of budgets under Iraq Trust Fund programmes, details of implementing arrangements are not shown. It is expected that some of the activities indicated to be undertaken by UNDP under Phase 1 will involve partnerships with UNESCWA, UNFPA and UNOPS. Similarly, WHO will undertake partnerships with UNFPA and UNIFEM, according to their respective comparative advantages, as per the respective inter-agency agreements. Finally, other agencies may also establish inter-agency agreements with UNOPS to support their implementation. The programme will be implemented over a period of 48 months; reflective of the realities of progress on the ground, and that the Public Service Council around which many of the core activities are designed may not be established until after the forthcoming national elections.

The disbursement of programme funds will be done in two tranches, corresponding to the two Phases, as indicated above in the section on programme implementation. The table of disbursements, as presented above, is copied as follows:

| **Phase 1: Participating UN Organisation** | **Phase 1: Tranche 1** | **Phase 2: Participating UN Organisation** | **Phase 2: Tranche 2** |
|---|---|---|---|
| UNDP | 5,000,000 | **To be determined** | **To be determined** |
| WHO | 2,000,000 | | |
| UNICEF | 2,600,000 | | |
| UNESCO | 2,000,000 | | |
| UN-Habitat | 2,000,000 | | |
| UN-FPA | Inter-agency agreements | | |
| UNESCWA | Inter-agency agreements | | |
| UNOPS | Inter-agency agreements | | |
| UNIFEM | Inter-agency agreements | | |
| **Total ITF Budget (US $)** | **13,600,000** | | **41,400,000** |

*** Includes inter-agency agreements with partner agencies**

# WORKPLAN - Phase 1

| **Sector Outcome (s): Strengthened regulatory frameworks, institutions and processes of national and local governance** | | | | | | | |
|---|---|---|---|---|---|---|---|
| **JP Outcome(s): Strengthened regulatory frameworks, institutions and processes of national and local governance** | | | | | | | |
| **UN Organization-specific Annual targets** | **Major Activities** | **Time Frame (By activity)** Phase 1-Year 1 Q1 | Q2 | Q3 | Q4 | **Implementing Partner For Phase 1** | **PLANNED BUDGET (By output) US$** |
| **JP Output 1: GoI is better able undertake Public Sector Modernization at national, regional and governorate levels** | | | | | | | |
| Agency Output 1.1 GoI is better able to undertake Public Sector Modernization at national, regional and governorate levels.<br><br>1.1.1Public Service Council (PSC) and Management Board (MB) for Civil Service in place and supported. | – Outline CSC Structure, Staffing and Financing Needs<br>– Outline Plans for Senior Executive Service<br>– Establish Civil Service Council and Governorate Offices<br>– Develop Comprehensive Civil Service Reform Strategy<br>– Draft Civil Service Manual<br>– Identify Civil Service Training Programmes<br>– Develop Consultation Mechanism | | **X** | **X** | **X** | UNDP | **Phase 1: $2.5 Million** |
| | – Develop I-PSM training modules in PAR, CCR, PFM and Policy Management<br>– Conduct Training of Trainers<br>– Conduct 2 day training courses in general public administration and civil service reform/management and the I-PSM Programme approach | | | **X** | **X** | UNDP | |
| 1.1.2.National PSM Task Force Established | – GoI Establish the I-PSM National Task Force and Working Group<br>– I-PSM Membership and Gender Balance/Representation Agreed<br>– I-PSM TF Mandate and Roles and Responsibility Formally agreed<br>– Agenda development<br>– First I-PSM Meeting concluded<br>– Decision to establish National I-PSM Programme Document Taken | **X** | **X** | **X** | | UNDP | |
| 1.1.3.Parliamentary sub-committee on PSM in place | – Meet with Parliamentarians to discuss the I-PSM Programme<br>– Draw up committee mandate and consider representation<br>– Draft oversight roles and responsibilities<br>– Establish Sub-Parliamentary Committee on Public Sector Modernization | | **X** | **X** | | UNDP | |
| 1.1.4 National I-PSM Strategy in Place | Work with I-PSM Task Force to establish a national strategy covering the following elements<br>– Overall architecture of government in line with modernisation strategy<br>– Civil Service Legal Framework<br>– Personnel Management<br>– Institutional and Functional Streamlining<br>– Financial Management and Accountability<br>– Policy Management and Machinery of Government<br>– Administrative Efficiency<br>– Methodology for sectoral reform and costed service delivery models<br>– Methodology to increase capacity of local governance for decentralised service delivery | **X** | **X** | **X** | | UNDP | |

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| | – Full GoI Stakeholder workshop held on Reform and Modernisation Convened<br>– Lessons and a Matrix of Corrective Measures Developed<br>Conclusions, Recommendations presented to I-PSM TF | | | | | | |
| 1.1.5 Decentralization and Local Governorate Task Force provided with technical assistance for the PSM implementation in selected governorates | – Governorate Task Forces Established in Target Governorates<br>– Mandate, Roles and Responsibilities Agreed by I-PSM Task Force<br>– Governorate Working Groups Established<br>– Framework for Public Policy Participation Established<br>– Public and Private/Civil Society Membership agreed<br>– High Quality/Trained Iraqi TA Provided over period of reform programme | | | | **X** | UNDP-UN-Habitat | |
| 1.1.6.Ministry Advisory Committees in Place to Lead Sectoral Reforms | – Ministerial Advisory Committees established in target sectors<br>– MAC appoints head of Sector Working Group and Membership<br>– MAC WG Mandate, Roles and Responsibilities Developed<br>– Quarterly and Ad Hoc MAC WG Meetings on I-PSM Convened in target sectors | **X** | **X** | **X** | **X** | UNDP | |
| 1.1.7 External evaluation of Phase 1 and formulation of detailed Work Plan for Phase 2 | – External evaluation conducted of Phase 1<br>– Formulation of the detailed I-PSM programme work plan for Phase 2 | | | **X** | **X** | UNDP | |
| **JP Output 2: Civil Service Capacities Strengthened for Reform and Modernisation** | | | | | | | |
| 2.1 Civil Service Capacities Strengthened for Reform and Modernisation | Outline Civil Service Reform Priorities / Agenda / Strategy<br>▪ Career Management<br>▪ Unity of the Civil Service<br>▪ Individual Incentives<br>▪ Openness / Lateral Entry Systems<br>▪ E-Governance | | **X** | **X** | **X** | UNDP | **Phase 1:**<br>**$1.5 Million** |
| | Support GoI to conclude and pass civil service law<br>– Provide Technical Support to the Drafting Committee<br>– Recall the Drafting Committee under the I-PSM Task Force to review the current draft civil service law to conclude (i) general provisions (ii) values of service (iii) code of conduct (iv) appointments, duties, rights & responsibilities (v) job classification (vi) salaries and allowances (vii) incentives and support (viii) working hours and leave (ix) transference, deputation, secondment, termination (x) performance (xi) administrative development, performance, training and (xii) personnel management arrangements.<br>– Council of Ministers/Representatives approval – enactment<br>– Outline secondary and enabling legislation requirements<br>– Develop gender mainstreaming strategy | | **X** | **X** | **X** | UNDP | |
| | Identify (for chosen sectors) Role and Policy Load<br>– Roles of Central Government, Governorates, Districts, Private Sectors, Communities<br>– Service Delivery Responsibilities / Decentralisation Option<br>– Deconcentration Option<br>– Service Shedding<br>– Contracting Out<br>Analyse Current (Generic) Operating Procedures and Management Systems Including Target Sector Ministries | | **X** | **X** | **X** | UNDP | |
| | Civil Service Employment Regulation developed in the following sample areas:<br>– Public Service Modernisation Act<br>– Appointment Policies / Staffing Assessments<br>– Terms of Service<br>– Senior Executive Service | | | | **X** | UNDP | |
| | Develop Management Systems & Operating Procedures<br>– Information management (document processing, information sharing, records | | | **X** | **X** | UNDP | |

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| | and document handling)<br>– Decision making processes,<br>– Policy making, planning, budgeting and execution<br>– HR management (development of SOPs, development of reporting and relevant data collection)<br>– Monitoring and Evaluation Processes | | | | | | |
| | Develop change management systems approach for generalised government, target sectors and governorates<br>– Define Mission and Vision of Service(s)<br>– Develop change management principles<br>– Document current operations<br>– IT systems and automated systems<br>– Develop proposed operational changes<br>– Transition and Implementation Plans Developed<br>– Resource Requirements - financing<br>– Establish documentation requirements<br>Monitoring and quality improvement processes | | | **X** | **X** | UNDP | |
| | Legal framework for SEC developed<br>– Recruitment and career management procedure developed<br>– Performance management systems developed and in place | | | **X** | **X** | UNDP | |
| | – Standard Curriculum for SEC members developed<br>– SEC Training Academy Established<br>– Trainers Trained<br>– Finance and Resourcing through Budget Framework<br>– Implementation | | | | | UNDP | |
| | Develop Senior Executive Service (SES)<br>– Information Gathering<br>– Policy Development and Terms of Service<br>– Design Executive Management Development Framework<br>– Develop training and mentoring programmes<br>– Establish Senior Advisory Panel in PSC | | | | **X** | UNDP | |
| **JP Output 3: GOI has capacities for improved public administration systems** | | | | | | | |
| 3.1 GOI has enhanced capacities to review and implement public administration systems<br><br>3.1.1.Standard systems for general management functions supported for their creation and implementation in target sectors | Outline Administration Reform Policies and Priorities<br>– Agency Shape and Structure (state architecture)<br>– Decentralization<br>– Contracting<br>– Agency Targets<br>– SOEs (Privatisation/Restructuring/ Liquidation)<br><br>Support for PFM System Strengthening in Chosen Sectors<br>– Relevant PFM/PEM Action Plan Priorities<br>– Procurement Systems<br>– Integrated Policy, Planning and Budgeting Processes<br>– Expenditure Management Strengthening<br>– Asset Management<br>– Fiscal Management etc | | **X** | **X**<br><br><br><br><br><br>**X** | **X**<br><br><br><br><br><br>**X** | UNDP | **Phase 1:**<br><br>**$1 Million** |
| 3.1.2.Tailor made capacity development initiatives and training packages developed and implemented | – Public administration and civil service training modules developed covering<br>– Generalised civil service management<br>– Public administration reform<br>– Change management<br>– Senior Executive Service Development | | | **X** | **X** | UNDP | |

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| for general management functions | – Recruitment, Terms of Service, Code of Conduct, Career Development<br>– Sustainability<br>– Trainer of trainers training provided to full time GoI training officials<br>Training courses delivered | | | | | | |
| 3.1.3 National e-Governance Strategy reviewed in line with improved public administration systems | – Review existing e-Governance Strategy and Make Recommendations for Strengthening<br>– Strengths, Weaknesses, Threats and Opportunities Identified<br>– Strategy costing and implementation strategy development<br>– Execution and roll out | | | | **X** | UNDP | |
| | – Action plans developed and accepted by the Ministerial Advisory Committees for target sectors<br>– Execution management strategies developed<br>– Oversight and Monitoring capabilities established | | | | | UNDP | |
| 3.2 MOPDC has improved capacities for planning and monitoring<br>3.2.1 Standard systems for collection of data for performance and results monitoring and evaluation supported for their creation and implementation in target sectors | - Support to establish databases and mechanism to update databases using e-data flow in information systems<br>- Support to establish e-data flow procedures across different ministries and establish central data bank for administration, planning and M&E<br>- Support for upgrading capacities, harmonisation of concepts, definitions and classifications for administrative-based databases<br>- Support to establish a network or data exchange protocols across select ministries and within each ministry between the governorates/region and the headquarters<br>- Support for master plan for national and sub-national information system extracted from Iraq's national statistical system<br>- Support creation of legal and legislative enabling environment<br>- Support to establish and develop hardware and software systems with effective operational protocols<br>- Support to upgrade technical capacity of Iraqi nationals to ensure sustainability of data systems | | **X** | **X** | **X** | UNFPA | |
| 3.3 Target ministries have improved capacities for planning and monitoring<br>3.3.1 Sectoral Reform Opportunities Identified and sector expenditure management plans in place | Identify Sectoral Reform Opportunities<br>– Identify Priority Sector Ministries / Departments<br>– Establish PSM Sector Task Forces (x3)<br>– Undertake Institutional Assessments<br>– Identify Administrative Reform Opportunities<br>– Outline Existing Service Delivery Arrangements<br>– Outline Policy / Regulatory / Oversight Roles<br>Outline Public Expenditure Management Priorities<br>– Aggregate Cost Reductions<br>– Set Targets for Efficiency Improvements<br>– Accounting Reforms<br>– Auditing Reforms<br>– Inter-governmental Transfers | | **X** | **X** | **X** | UNDP | |
| **JP Output 4: GOI has reform and modernization plans in place for targeted sectors** | | | | | | | |
| 4.1 Health Sector has reform and modernization plans in place. | Conduct Functional Reviews of Health Ministry<br>– Establish Functional Review Working Groups<br>– Define functional review process<br>– Assess the missions, functions and tasks of each administrative body and its units<br>– Outline Sectoral Policy Mandate and Framework<br>– Outline Ministry/Departmental, Sub-national structures<br>– Outline Staffing Establishment/pay and grade structure<br>– Outline Existing Occupational Structures | **X** | **X** | **X** | **X** | WHO | **Phase 1: $5 million** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | – Outline budget allocations/allotments<br>– Outline Existing Service Delivery Model including roles of central, sub-national, district, civil society and private sector<br>– Outline Grouped, Common and Mal-aligned Functions<br>– Assess the correspondence between the mission and functions and the actual activities<br>– Formulate suggestions for restructuring<br>– Identify reform road maps, priorities and activities | | | | | | |
| | Conduct Sectoral Service Delivery Assessment and Costing in Health Sector<br>– Outline Sector Policy / Legislative Framework<br>– Sector Objectives, Outcomes and Outputs<br>– Undertake sectoral baseline assessments<br>– Outline Existing Service Delivery Arrangements<br>– Outline roles and responsibilities of the central, governorate and district entities<br>– Outline overlapping mandates<br>– Outline roles of the private sector and civil society<br>– Set service delivery benchmarks<br>– Cost service delivery benchmarks (wage and non wage recurrent and capital costs)<br>– Strengthen vertical and horizontal equity<br>– Relationships and linkages to key sectoral players<br>– Options to strengthen participation<br>– Cross-sectoral and intra-sectoral coordination issues<br>– Delivery gaps and inequalities<br>– Gender and social exclusion issues<br>– Monitoring and Evaluation processes and procedures<br>– E-governance capacity | **X** | **X** | **X** | **X** | WHO<br>UNIFEM | |
| 4.2 GOI Education, TVET and Higher Education Sectors have reform and modernization plans in place | Conduct Functional Reviews of Education and Higher Education Ministries<br>– Establish Functional Review Working Groups<br>– Define functional review process<br>– Assess the missions, functions and tasks of each administrative body and its units<br>– Outline Sectoral Policy Mandate and Framework<br>– Outline Ministry/Departmental, Sub-national structures<br>– Outline Staffing Establishment/pay and grade structure<br>– Outline Existing Occupational Structures<br>– Outline budget allocations/allotments<br>– Outline Existing Service Delivery Model including roles of central, sub-national, district, civil society and private sector<br>– Outline Grouped, Common and Mal-aligned Functions<br>– Assess the correspondence between the mission and functions and the actual activities<br>– Formulate suggestions for restructuring<br>– Identify reform road maps, priorities and activities | **X** | **X** | **X** | **X** | UNICEF-UNESCO | |
| | Conduct Sectoral Service Delivery Assessment and Costing in Education and Higher Education Sectors<br>– Outline Sector Policy / Legislative Framework<br>– Sector Objectives, Outcomes and Outputs<br>– Undertake sectoral baseline assessments<br>– Outline Existing Service Delivery Arrangements<br>– Outline roles and responsibilities of the central, governorate and district entities<br>– Outline overlapping mandates | | **X** | **X** | **X** | UNICEF-UNESCO | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | – Outline roles of the private sector and civil society<br>– Set service delivery benchmarks<br>– Cost service delivery benchmarks (wage and non wage recurrent and capital costs)<br>– Strengthen vertical and horizontal equity<br>– Relationships and linkages to key sectoral players<br>– Options to strengthen participation<br>– Cross-sectoral and intra-sectoral coordination issues<br>– Delivery gaps and inequalities<br>– Gender and social exclusion issues<br>– Monitoring and Evaluation processes and procedures<br>– E-governance capacity | | | | | | |
| 4.3 GOI Domestic Water Supply and Sanitation Sectors have reform and modernization plans in place. | Same as Above<br>– Functional Reviews<br>– Service Delivery Surveys/Costing | **X** | **X** | **X** | **X** | UNICEF, UN-Habitat, UNDP | |
| 4.4 GOI is provided with review of aggregate, cross-cutting structural issues to enable fiscal and administrative decentralized service delivery | – Undertake diagnostic work to strengthen policy making, planning, budget and execution<br>– Conduct Public Expenditure Reviews in Target Sectoral with World Bank<br>– Policy Management processes developed<br>– Integrated Planning processes reviewed and strengthened<br>– Budgeting and PEM improved | | **X** | **X** | **X** | UNDP – UN Sector Leads | |
| 4.5 GOI is provided with options for citizen participation and public-private partnerships for enhanced service delivery | – Functional reviews conducted to include options for public-private partnerships for service delivery. | | **X** | **X** | | UNESCWA | |
| **JP Output 5: Decentralized Service Delivery Improved in Target Sectors with Local Governance and Participation Enhanced** | | | | | | | |
| 5.1 Ministry of Health is able to implement decentralized service delivery with enhanced citizen participation | – Based on the proposed service delivery model, and change management process, senior officials trained to support execution<br>– Service Delivery Benchmarks and Frameworks Rolled Out<br>– Model employed for budget formulation process | | | **X** | **X** | WHO (lead)<br>UNFPA | **Phase 1:**<br><br>**$ 3.6 Million** |
| | – Change management groups established and trained<br>– Change management processes identified<br>– Finance and human resources allocated within budget<br>– Performance and M7E systems developed | | | **X** | **X** | WHO | |
| | – Develop advocacy and communication strategy<br>– Agree staffing responsibilities and execution processes | | | **X** | **X** | WHO (lead)<br>UNFPA<br>UNIFEM | |
| | – Based on clear delineation between input, output, outcome and impact indicators establish SMART M7E system | | | **X** | **X** | WHO (lead)<br>UNFPA<br>UNIFEM | |
| 5.2 Ministries of Education and Higher Education are able to implement decentralized service delivery with enhanced citizen participation | – Based on the proposed service delivery model, and change management process, senior officials trained to support execution<br>– Service Delivery Benchmarks and Frameworks Rolled Out<br>– Model employed for budget formulation process | | | **X** | **X** | UNICEF-UNESCO | |
| | – Change management groups established and trained<br>– Change management processes identified<br>– Finance and human resources allocated within budget<br>– Performance and M&E systems developed | | | **X** | **X** | UNICEF-UNESCO | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | – Develop advocacy and communication strategy<br>– Agree staffing responsibilities and execution processes | | | **X** | **X** | UNICEF-UNESCO | |
| | Based on clear delineation between input, output, outcome and impact indicators establish SMART M&E system | | | **X** | **X** | UNICEF-UNESCO | |
| 5.3 Ministry of Municipalities and Public Works is able to implement decentralized service delivery with enhanced citizen participation | – Based on the proposed service delivery model, and change management process, senior officials trained to support execution<br>– Service Delivery Benchmarks and Frameworks Rolled Out<br>– Model employed for budget formulation process | | | **X** | **X** | UNICEF, UN-Habitat, UNDP | |
| | – Change management groups established and trained<br>– Change management processes identified<br>– Finance and human resources allocated within budget<br>– Performance and M&E systems developed | | | **X** | **X** | UNICEF, UN-Habitat, UNDP | |
| | – Develop advocacy and communication strategy<br>– Agree staffing responsibilities and execution processes | | | **X** | **X** | UNICEF, UN-Habitat, UNDP | |
| | Based on clear delineation between input, output, outcome and impact indicators establish SMART M&E system | | | **X** | **X** | UNICEF, UN-Habitat, UNDP | |
| 5.4 Local Government organizational structures and mechanisms strengthened to support decentralized service delivery supported. | – Organizational review of all government institutions (national and sub-national) operating in select governorates<br>– Support process of developing roles, functions and delineating mandates of national and governorate officials and offices, including elected officials and employed staff in select governorates<br>– Transition mechanism supported to enhance coordination and cooperation in local governance during the period of asymmetric decentralization of service delivery, including knowledge-sharing | | **X** | **X** | **X** | UNDP | |
| 5.5 Vertical and horizontal inter-government relations formalised with discussion forums in place and partnerships with international/regional municipalities created | - Engagement and partnership programme agreed with Iraqi Local Government Association/Higher Commission for Local Government, to include discussion forums, roundtable meetings, and partnerships with international/regional municipalities, plans for city-to-city co-operation for 1-2 cities/towns , at least 1 exchange visit, and support Iraq's membership in 2 international networks for local governments<br>- Engagement and partnership programme implemented | | **X** | **X** | **X** | UNDP<br>UNHABITAT | |
| 5.6 Select governorates have mechanisms for improved citizen participation in decentralized service delivery | – Develop strategy for public policy dialogue, communications and participation in select governorates<br>– Strengthen citizen participation in budget formulation and planning processes | | **X** | **X** | **X** | UNDP<br>UNESCWA | |
| | Design and conduct survey to measure public perception of local government and engagement in government in select governorates | | | **X** | **X** | UNDP<br>UNESCWA | |
| | Develop and implement civic education programme in select governorates | | | | **X** | UNDP<br>UNESCWA | |

**Iraq Public Sector Modernization (I-PSM) Programme**

| | |
|---|---|
| **Total UNDP – Phase 1** | **$5,000,000** |
| **Total WHO – Phase 1** | **$2,000,000** |
| **Total UNICEF – Phase 1** | **$2,600,000** |
| **Total UNHABITAT – Phase 1** | **$2,000,000** |
| **Total UNESCO – Phase 1** | **$2,000,000** |
| **Total planned Budget Phase 1** | **$13,600,000** |

# DRAFT INDICATIVE WORKPLAN - Phase 2

| UN Organization-Specific Indicative Annual targets | Phase 2- Years 2,3,4 (to be reviewed) | | | PLANNED BUDGET (By output) US$ | |
|---|---|---|---|---|---|
| | | | | Implementing Partner for Phase 2 | Budget US$ |
| | Yr 2 | Yr 3 | Yr 4 | | |
| **JP Output 1: GoI is better able undertake Public Sector Modernization at national, regional and governorate levels** | | | | | |
| 1.1 GoI is better able to undertake Public Sector Modernization at national, regional and governorate levels. | X | X | X | To be determined | To be determined |
| 1.1.1Public Service Council (PSC) and Management Board (MB) for Civil Service in place and supported. | X | X | X | To be determined | |
| 1.1.5 Decentralization and Local Governorate Task Force provided with technical assistance for the PSM implementation in selected governorates | X | X | X | To be determined | |
| **JP Output 2: Civil Service Capacities Strengthened for Reform and Modernisation** | | | | | |
| 2.1 Civil Service Capacities Strengthened for Reform and Modernisation | X | X | X | To be determined | To be determined |
| **JP Output 3: GOI has capacities for improved public administration systems** | | | | | |
| 3.1 GOI has enhanced capacities to review and implement public administration systems<br>3.1.2.Tailor made capacity development initiatives and training packages developed and implemented for general management functions | X | X | X | To be determined | |
| 3.1.3 National e-Governance Strategy reviewed in line with improved public administration systems | X | X | X | To be determined | |
| | X | X | X | | |
| 3.2 MOPDC has improved capacities for planning and monitoring<br>3.2.1 Standard systems for collection of data for performance and results monitoring and evaluation supported for their creation and implementation in target sectors | X | X | X | To be determined | |
| 3.3 Target ministries have improved capacities for planning and monitoring | X | X | X | To be determined | |
| **JP Output 4: GOI has reform and modernization plans in place for targeted sectors** | | | | | |
| 4.1 Health Sector has reform and modernization plans in place. | X | X | X | To be determined | To be determined |
| 4.2 GOI Education, TVET and Higher Education Sectors have reform and modernization plans in place | | | | | |
| | X | X | X | To be determined | |
| 4.3 GOI Domestic Water Supply and Sanitation Sectors have reform and modernization plans in | | | | To be determined | |

| | | | | | |
|---|---|---|---|---|---|
| place. | | | | | |
| 4.4 GOI is provided with review of aggregate, cross-cutting structural issues to enable fiscal and administrative decentralized service delivery | X | X | X | To be determined | |
| 4.5 GOI is provided with options for citizen participation and public-private partnerships for enhanced service delivery | | | | To be determined | |
| **JP Output 5: Decentralized Service Delivery Improved in Target Sectors with Local Governance and Participation Enhanced** | | | | | |
| 5.1 Ministry of Health is able to implement decentralized service delivery with enhanced citizen participation | X | X | X | To be determined | To be determined |
| 5.2 Ministries of Education and Higher Education are able to implement decentralized service delivery with enhanced citizen participation | X | X | X | To be determined | |
| 5.3 Ministry of Municipalities and Public Works is able to implement decentralized service delivery with enhanced citizen participation | X | X | X | To be determined | |
| 5.4 Local Government organizational structures and mechanisms strengthened to support decentralized service delivery supported. | X | X | X | To be determined | |
| 5.5 Vertical and horizontal inter-government relations formalised with discussion forums in place and partnerships with international/regional municipalities created | X | X | X | To be determined | |
| 5.6 Select governorates have mechanisms for improved citizen participation in decentralized service delivery | X | X | X | To be determined | |
| **Total Phase 2 Budget** | | | | | **$41,400,000** |
| **Grand Total Joint Programme Budget – Phases 1 and 2** | | | | | **$55,000,000** |

## PROGRAMME BUDGET

## INDICATIVE BUDGET FOR FULL PROGRAMME: PHASES 1 and 2

| PROGRAMME BUDGET | | ESTIMATED UTILIZATION OF RESOURCES (US$) | | |
|---|---|---|---|---|
| CATEGORY | AMOUNT (US$) | 2010 | 2011 | 2012 |
| 1. Supplies, commodities, equipment and transport | 6,513,804 | 5,531,763 | 518,921 | 463,120 |
| 2. Personnel (staff, consultants and travel) | 16,814,223 | 8,073,516 | 5,253,135 | 3,487,572 |
| 3. Training of counterparts & meetings | 11,733,736 | 5,965,767 | 3,854,469 | 1,913,500 |
| 4. Contracts | 14,237,957 | 5,492,840 | 5,112,558 | 3,632,559 |
| 5. Other direct costs | 2,464,986 | 1,253,194 | 736,954 | 474,838 |
| Total Programme Costs | 51,764,706 | 26,317,080 | 15,476,037 | 9,971,590 |
| Indirect Support Costs | 3,235,294 | 1,644,817 | 967,252 | 623,225 |
| TOTAL | 55,000,000 | 27,961,897 | 16,443,289 | 10,594,814 |

# Phase 1 Budget

## Overall Programme Budget – Phase 1

| PROGRAMME BUDGET | | ESTIMATED UTILIZATION OF RESOURCES (US$) |
|---|---|---|
| CATEGORY | AMOUNT (US$) | One Year |
| 1. Supplies, commodities, equipment and transport | 330,401 | 330,401 |
| 2. Personnel (staff, consultants and travel) | 6,656,633 | 6,656,633 |
| 3. Training of counterparts & meetings | 290,000 | 290,000 |
| 4. Contracts | 4,913,442 | 4,913,442 |
| 5. Other direct costs | 609,524 | 609,524 |
| Total Programme Costs | 12,800,000 | 12,800,000 |
| Indirect Support Costs | 800,000 | 800,000 |
| TOTAL | 13,600,000 | 13,600,000 |

## UNDP Budget:

## Phase 1

| PROGRAMME BUDGET | | ESTIMATED UTILIZATION OF RESOURCES (US$) |
|---|---|---|
| CATEGORY | AMOUNT (US$) | One Year |
| 1. Supplies, commodities, equipment and transport | 261,901 | 261,901 |
| 2. Personnel (staff, consultants and travel) | 4,109,892 | 4,109,892 |
| 3. Training of counterparts & meetings | 110,000 | 110,000 |
| 4. Contracts | 0 | 0 |
| 5. Other direct costs | 224,089 | 224,089 |
| Total Programme Costs | 4,705,882 | 4,705,882 |
| Indirect Support Costs | 294,118 | 294,118 |
| TOTAL | 5,000,000 | 5,000,000 |

## UNICEF Budget:

### Phase 1

| PROGRAMME BUDGET | | ESTIMATED UTILIZATION OF RESOURCES (US$) |
|---|---|---|
| CATEGORY | AMOUNT (US$) | One Year |
| 1. Supplies, commodities, equipment and transport | 0 | 0 |
| 2. Personnel (staff, consultants and travel) | 498,600 | 498,600 |
| 3. Training of counterparts & meetings | 120,000 | 120,000 |
| 4. Contracts | 1,711,932 | 1,711,932 |
| 5. Other direct costs | 116,527 | 116,527 |
| Total Programme Costs | 2,447,059 | 2,447,059 |
| Indirect Support Costs | 152,941 | 152,941 |
| TOTAL | 2,600,000 | 2,600,000 |

## WHO Budget:

### Phase 1

| PROGRAMME BUDGET | | ESTIMATED UTILIZATION OF RESOURCES (US$) |
|---|---|---|
| CATEGORY | AMOUNT (US$) | One Year |
| 1. Supplies, commodities, equipment and transport | 26,000 | 26,000 |
| 2. Personnel (staff, consultants and travel) | 630,012 | 630,012 |
| 3. Training of counterparts & meetings | 0 | 0 |
| 4. Contracts | 1,136,705 | 1,136,705 |
| 5. Other direct costs | 89,636 | 896,36 |
| Total Programme Costs | 1,882,353 | 1,882,353 |
| Indirect Support Costs | 117,647 | 117,647 |
| TOTAL | 2,000,000 | 2,000,000 |

## UNESCO Budget:

### Phase 1

| PROGRAMME BUDGET | | ESTIMATED UTILIZATION OF RESOURCES (US$) |
|---|---|---|
| CATEGORY | AMOUNT (US$) | One Year |
| 1. Supplies, commodities, equipment and transport | 26,000 | 26,000 |
| 2. Personnel (staff, consultants and travel) | 568,002 | 568,002 |
| 3. Training of counterparts & meetings | 0 | 0 |
| 4. Contracts | 1,198,715 | 1,198,715 |
| 5. Other direct costs | 89,636 | 896,36 |
| Total Programme Costs | 1,882,353 | 1,882,353 |
| Indirect Support Costs | 117,647 | 117,647 |
| TOTAL | 2,000,000 | 2,000,000 |

## UN-Habitat Budget:

### Phase 1

| PROGRAMME BUDGET | | ESTIMATED UTILIZATION OF RESOURCES (US$) |
|---|---|---|
| CATEGORY | AMOUNT (US$) | One Year |
| 1. Supplies, commodities, equipment and transport | 16,500 | 16,500 |
| 2. Personnel (staff, consultants and travel) | 850,127 | 850,127 |
| 3. Training of counterparts & meetings | 60,000 | 60,000 |
| 4. Contracts | 866,090 | 866,090 |
| 5. Other direct costs | 89,636 | 89,636 |
| Total Programme Costs | 1,882,353 | 1,882,353 |
| Indirect Support Costs | 117,647 | 117,647 |
| TOTAL | 2,000,000 | 2,000,000 |

## Budget Notes:

* Based on the UNDG Harmonized Financial Reporting to Donors for Joint Programmes approved in 2006. Definition of the categories can be found in the instruction that is available on www.undg.org.

** Security costs are calculated on the maximum rate of 2% of total programme costs and should be integrated into line item 5: Other direct costs.

******* Indirect support cost should be in line with the rate or range specified in the Fund TOR (or Programme Document) and MOU and SAA for the particular MDTF.

UNDG ITF projects are currently funded primarily with EC funding; therefore, to be in compliance with the EC's maximum allowable indirect support cost rate of 7% (including the AA fee) all new projects/joint programmes should use the indirect support cost rate of 6.25%, as has been the practice to date.

Line 1: Equipment and supplies are disaggregated in the Excel summary and agency budgets, but are shown together (summed) above
Line 2: Personnel and travel are disaggregated in the Excel summary and agency budgets, but are shown together (summed) above
Line 3 "Training of Counterparts" includes meetings (from Excel summary and agency budgets)
Line 5 "Other direct costs" includes miscellaneous and security (from Excel summary and agency budgets)
Line 6 "Total Programme Costs" is the sum of Lines 1-5

**Iraq Public Sector Modernization (I-PSM) Programme**

## Budget Narrative

| Public Sector Modernization | | | | |
|---|---|---|---|---|
| **Activity** | **Unit Cost** | **Qty** | **Total** | **One Year** |
| **Personnel** | | | | |
| **National Programme Personnel** | | | | |
| Project Officer Iraq TFT NOB-Baghdad | 3,759 | 12 | 45,108 | 45,108 |
| Project Associates (G6)-Baghdad (1) | 2,231 | 12 | 26,772 | 26,772 |
| Project assistant (G5)-Baghdad (1) | 2,000 | 12 | 24,000 | 24,000 |
| Drivers (2) | 1,500 | 24 | 36,000 | 36,000 |
| Project Associate (G7)-Baghdad WHO | 3,000 | 12 | 36,000 | 36,000 |
| Project Associate (G7)-Baghdad UNESCO | 3,000 | 12 | 36,000 | 36,000 |
| Project Associate (G7)-Baghdad UNHABITAT | 4,500 | 12 | 54,000 | 54,000 |
| National Officers, NOC | 6,100 | 12 | 73,200 | 73,200 |
| Project Associate (G7)-Baghdad UNICEF | 4,500 | 12 | 54,000 | 54,000 |
| National Officers, NOC ( One of Wesh/One for EDU) | 6,200 | 24 | 148,800 | 148,800 |
| Core national support staff | 5,000 | 3 | 15,000 | 15,000 |
| Sub-Total | | | **548,880** | **548,880** |
| **International Programme Personnel** | | | | |
| Project Manager P5-Baghdad (UNDP) (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 39,166 | 12 | 469,992 | 469,992 |
| Project Manager P5-Baghdad (WHO) (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 39,166 | 12 | 469,992 | 469,992 |
| Project Manager P5-Baghdad (UNESCO) (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 39,166 | 12 | 469,992 | 469,992 |
| Project Manager P5- Amman based travelling to Baghdad WATSAN reform (UNHABITAT) | 23,000 | 12 | 276,000 | 276,000 |
| Project Staff P5- Amman based travelling to Baghdad LOCAL GOVT (UNHABITAT) | 23,000 | 12 | 276,000 | 276,000 |
| Project Management Staff | 20,000 | 5 | 100,000 | 100,000 |
| Project Manager P5-Amman based with travelling to Baghdad(UNICEF) | 23,000 | 12 | 276,000 | 276,000 |
| **Sub-Total** | | | **2,337,976** | **2,337,976** |
| **National Consultants** | | | | |
| Consultant (2) to develop PSM training manuals in PAR, CCR, PFM and policy management | 500 | 90 | 45,000 | 45,000 |
| Consultants to develop consultation mechanism(1) | 500 | 45 | 22,500 | 22,500 |
| Consultants (2) to develop National PSM programme documents | 500 | 60 | 30,000 | 30,000 |
| Consultant to develop civil service manual 2 | 500 | 90 | 45,000 | 45,000 |
| *Consultants to develop civil service reform strategy (2)* | 500 | 120 | 60,000 | 60,000 |

| | | | | |
|---|---|---|---|---|
| Consultant Civil Service Legal Framework (90*500) | 500 | 90 | 45,000 | 45,000 |
| Personnel management Specialist 500*90 | 500 | 90 | 45,000 | 45,000 |
| Consultant Institutional & Functional streamlining (120*500) | 500 | 120 | 60,000 | 60,000 |
| Consultant Financial Management & Accountability (90*500) | 500 | 90 | 45,000 | 45,000 |
| Consultant Policy Management & Machinery of Government (90*500) | 500 | 90 | 45,000 | 45,000 |
| Consultant Administrative Efficiency (90*500) | 500 | 90 | 45,000 | 45,000 |
| Consultant Physical Infrastructural Development (120*500) | 500 | 120 | 60,000 | 60,000 |
| Consultants (2) to develop framework public policy participation (60*500)*2 | 500 | 120 | 60,000 | 60,000 |
| Personnel Management Specialist | 500 | 90 | 45,000 | 45,000 |
| Consultant on Gender mainstreaming strategy PSM (public sector mon.) (180*500) | 500 | 120 | 60,000 | 60,000 |
| Consultant (4) to develop management system in operating procedures (300days*500)*(4consultant) | 500 | 100 | 50,000 | 50,000 |
| Consultant to develop SES (60*500) | 500 | 60 | 30,000 | 30,000 |
| Consultant (3) on E-governance strategy (160*500) | 500 | 160 | 80,000 | 80,000 |
| Consultant to develop National PSM programme document | 500 | 60 | 30,000 | 30,000 |
| Consultant to develop National PSM programme document | 500 | 30 | 15,000 | 15,000 |
| **Sub-Total** | | | **917,500** | **917,500** |
| **International Consultants** | | | | |
| Planning Consultant 1300*60+251*60+TKT1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultant to develop civil service manual (60*1300+251*60+TKT1500) | 1,567 | 60 | 94,020 | 94,020 |
| Consultants (2) to develop PSM training manuals in PAR, CCR, PFM and policy management | 1,567 | 60 | 94,020 | 94,020 |
| Consultant to develop civil service reform strategy | 1,567 | 90 | 141,030 | 141,030 |
| Consultants (3) to develop National PSM programme documents | 1,567 | 90 | 141,030 | 141,030 |
| Consultant to support development of parliamentarian sub-committee on PMS. (1300*60)+(60*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultant Civil Service Legal Framework (60*1300)+60*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Personnel Management specialist (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Institutional & Functional Streamlining (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Financial Management & Accountability (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Policy Management & Machinery of Government (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Administrative Efficiency (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Physical Infrastructural Development (00*1300)+(90*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultants to develop framework public policy participation (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant (2) to support drafting committee on civil service law (60*1300)+(60*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultants (1) on Gender mainstreaming strategy PSM (public sector mon.) (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant to develop management system/operating procedures (110*1300)+(110*251)+1500 | 1,567 | 110 | 172,370 | 172,370 |
| Consultant to develop SES (90days*1300)+(251*90)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant to develop M&E system (60*1300, 60*251+1500) | 1,567 | 60 | 94,020 | 94,020 |

| | | | | |
|---|---|---|---|---|
| Consultants on E-governance strategy (70*1300)+(251*70)+1500 | 1,567 | 70 | 109,690 | 109,690 |
| Consultant to develop National PSM programme document | 1,567 | 60 | 94,020 | 94,020 |
| Consultants to develop National PSM programme document | 1,567 | 30 | 47,010 | 47,010 |
| **Sub-Total** | | | **2,585,550** | **2,585,550** |
| **TOTAL PERSONNEL** | | | **6,389,906** | **6,389,906** |
| **Contracts** | | | | |
| Functional review of Ministry of Health | 680,000 | 1 | 680,000 | 680,000 |
| Sectoral service delivery assessment & costing in health sector | 456,705 | 1 | 456,705 | 456,705 |
| Functional review of Ministry of Higher Education | 754,715 | 1 | 754,715 | 754,715 |
| Sectoral service delivery assessment & costing in higher Educational sector | 444,000 | 1 | 444,000 | 444,000 |
| Chief Technical Advisor | 1,200 | 165 | 198,000 | 198,000 |
| 1 Water and Sanitation Consultant to develop national PSM prog-document strategy | 1,651 | 90 | 148,590 | 148,590 |
| 1 Local Government and Decentralization Specialist | 1,200 | 70 | 84,000 | 84,000 |
| 1 Public Financial Management Specialist | 1,200 | 120 | 144,000 | 144,000 |
| National Consultants WATSAN reform | 500 | 120 | 60,000 | 60,000 |
| National Consultants LOCAL Government | 500 | 120 | 60,000 | 60,000 |
| Translator | 350 | 300 | 105,000 | 105,000 |
| Admin/Communication support (editorial/ logistic) | 190 | 350 | 66,500 | 66,500 |
| Chief Technical Advisor, Baghdad | 1,200 | 195 | 234,000 | 234,000 |
| Education Sector Specialist | 1,200 | 70 | 84,000 | 84,000 |
| Water Sector Specialist | 1,200 | 70 | 84,000 | 84,000 |
| PMF expert | 1,200 | 120 | 144,000 | 144,000 |
| National consultants water | 500 | 120 | 60,000 | 60,000 |
| National Consultants education | 500 | 120 | 60,000 | 60,000 |
| Translator | 350 | 360 | 126,000 | 126,000 |
| Admin/Communication support(editorial, logistic) | 194 | 350 | 67,900 | 67,900 |
| Security, life support, accommodation, office rent, road/flight transport, communication | Lump sum | | 852,032 | 852,032 |
| **TOTAL CONTRACTS** | | | **4,913,442** | **4,913,442** |
| **Training** | | | | |
| Consensus building workshop (40 part @3 days) | 200 | 120 | 24,000 | 24,000 |
| Validation of outcomes of functional review 20 part @3 days for 2 sectors | 200 | 180 | 36,000 | 36,000 |
| **TOTAL TRAINING** | | | **60,000** | **60,000** |
| **Meeting** | | | | |
| Quarterly & ADHOC meeting on PSM/at national level($5000* 20meetings) | 5,000 | 18 | 90,000 | 90,000 |
| Quarterly & ADHOC meeting on PSM/at local level($5000* 4meetings) | 5,000 | 4 | 20,000 | 20,000 |
| Consensus building workshop (40 part@3 days for 2 sectors) | 200 | 240 | 48,000 | 48,000 |
| Validation of outcomes of functional review 20part @3 days for 2 sector - 3 times | 200 | 360 | 72,000 | 72,000 |
| **TOTAL MEETING** | | | **230,000** | **230,000** |

| | | | | |
|---|---|---|---|---|
| **Supplies and Commodities** | | | | |
| Supply & Comm. | 2,110 | 5 | 10,550 | 10,550 |
| Supply for meeting for civil service council (10meetings*8pax@$65PP). | 1,300 | 8 | 10,400 | 10,400 |
| Supplies for meetings of taskforce (10 meetings*20pax@ 65pp) | 1,300 | 10 | 13,000 | 13,000 |
| IT Supplies for project team in Amman | 1,400 | 3 | 4,200 | 4,200 |
| Supplies for project steering committee meeting | 1,300 | 5 | 6,500 | 6,500 |
| Project Team-STAFF- (5) Life support (accommodation, rental of offices, meals, security)-Baghdad | 6,100 | 5 | 30,500 | 30,500 |
| International consultants (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 141,996 | 1 | 141,996 | 141,996 |
| Project Team (5) Life support cost (accommodation, meals, rental of premises, and security in Baghdad) | 6,100 | 5 | 30,500 | 30,500 |
| Office Supply for project team | 2,851 | 5 | 14,255 | 14,255 |
| Supplies for meetings of sectoral taskforces (100 meetings*20pax@ 65pp) | 1,300 | 20 | 26,000 | 26,000 |
| Supplies for meetings of sectoral taskforces (100 meetings*20pax@ 65pp) | 1,300 | 20 | 26,000 | 26,000 |
| Supplies for meetings (20 meeting) | 1,500 | 11 | 16,500 | 16,500 |
| **TOTAL Supplies and Commodities** | | | **330,401** | **330,401** |
| **Travel** | | | | |
| Project team Travel-Jordan-Iraq (10) (average trip$1000 fight, 10 days DSA@170,TRM@$38*4) | 4,000 | 10 | 40,000 | 40,000 |
| Travel - International (10 trips,est. $4000pp) | 4,000 | 10 | 40,000 | 40,000 |
| Internal and External Travel-Consultants | 6,100 | 10 | 61,000 | 61,000 |
| Project Management Expenses (UNDP) Rental & common Premises & Equip ( Governance Unit) | 50,000 | 1 | 50,000 | 50,000 |
| Project team Travel-Jordan-Iraq (6) (average trip$1000 fight, 10 days DSA@170,TRM@$38*4) | 4,000 | 7 | 28,000 | 28,000 |
| Travel International (7 Trips est,$3989.6) | 3,990 | 7 | 27,927 | 27,927 |
| Sectoral reform implementation team travel to and inside Iraq (@7 days | 3,300 | 6 | 19,800 | 19,800 |
| **TOTAL TRAVEL** | | | **266,727** | **266,727** |
| **Programme/Project Sub -Total** | | | **12,190,476** | **12,190,476** |
| **Miscellaneous (3%)** | | | 365,714 | 365,714 |
| **Security (2%)** | | | 243,810 | 243,810 |
| **Agency Management Support Cost (6.25%)** | | | 800,000 | 800,000 |
| PROJECT TOTAL | | | **13,600,000** | **13,600,000** |

| UNDP<br>Public Sector Modernization | | | | |
|---|---|---|---|---|
| **Activity** | **Unit Cost** | **Qty** | **Total** | **Year One** |
| **Personnel** | | | | |
| **National Programme Personnel** | | | | |
| Project Officer Iraq TFT NOB-Baghdad | 3,759 | 12 | 45,108 | 45,108 |
| Project Associates (G6)-Baghdad (1) | 2,231 | 12 | 26,772 | 26,772 |
| Project assistant (G5)-Baghdad (1) | 2,000 | 12 | 24,000 | 24,000 |
| Drivers (2) | 1,500 | 24 | 36,000 | 36,000 |
| Sub-Total | | | 131,880 | 131,880 |
| **International Programme Personnel** | | | | |
| Project Manager P5-Baghdad (UNDP) (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 39,166 | 12 | 469,992 | 469,992 |
| Sub-Total | | | 469,992 | 469,992 |
| **National Consultants** | | | | |
| Consultant (2) to develop PSM training manuals in PAR, CCR, PFM and policy management | 500 | 90 | 45,000 | 45,000 |
| Consultants to develop consultation mechanism(1) | 500 | 45 | 22,500 | 22,500 |
| Consultants (2) to develop National PSM programme documents | 500 | 60 | 30,000 | 30,000 |
| Consultant to develop civil service manual 2 | 500 | 90 | 45,000 | 45,000 |
| *Consultants to develop civil service reform strategy (2)* | 500 | 120 | 60,000 | 60,000 |
| Consultant Civil Service Legal Framework (90*500) | 500 | 90 | 45,000 | 45,000 |
| Personnel management Specialist 500*90 | 500 | 90 | 45,000 | 45,000 |
| Consultant Institutional & Functional streamlining (120*500) | 500 | 120 | 60,000 | 60,000 |
| Consultant Financial Management & Accountability (90*500) | 500 | 90 | 45,000 | 45,000 |
| Consultant Policy Management & Machinery of Government (90*500) | 500 | 90 | 45,000 | 45,000 |
| Consultant Administrative Efficiency (90*500) | 500 | 90 | 45,000 | 45,000 |
| Consultant Physical Infrastructural Development (120*500) | 500 | 120 | 60,000 | 60,000 |
| Consultants (2) to develop framework public policy participation (60*500)*2 | 500 | 120 | 60,000 | 60,000 |
| Personnel Management Specialist | 500 | 90 | 45,000 | 45,000 |
| Consultant on Gender mainstreaming strategy PSM (public sector mon.) (180*500) | 500 | 120 | 60,000 | 60,000 |
| Consultant (4) to develop management system in operating procedures (300days*500)*(4consultant) | 500 | 100 | 50,000 | 50,000 |
| Consultant to develop SES (60*500) | 500 | 60 | 30,000 | 30,000 |
| Consultant (3) on E-governance strategy (160*500) | 500 | 160 | 80,000 | 80,000 |
| Sub-Total | | | 872,500 | 872,500 |
| **International Consultants** | | | | |

| | | | | |
|---|---|---|---|---|
| Planning Consultant 1300*60+251*60+TKT1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultant to develop civil service manual (60*1300+251*60+TKT1500) | 1,567 | 60 | 94,020 | 94,020 |
| Consultants (2) to develop PSM training manuals in PAR, CCR, PFM and policy management | 1,567 | 60 | 94,020 | 94,020 |
| Consultant to develop civil service reform strategy | 1,567 | 90 | 141,030 | 141,030 |
| Consultants (3) to develop National PSM programme documents | 1,567 | 90 | 141,030 | 141,030 |
| Consultant to support development of parliamentarian sub-committee on PMS. (1300*60)+(60*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultant Civil Service Legal Framework (60*1300)+60*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Personnel Management specialist (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Institutional & Functional Streamlining (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Financial Management & Accountability (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Policy Management & Machinery of Government (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Administrative Efficiency (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant Physical Infrastructural Development (00*1300)+(90*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultants to develop framework public policy participation (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant (2) to support drafting committee on civil service law (60*1300)+(60*251)+1500 | 1,567 | 60 | 94,020 | 94,020 |
| Consultants (1) on Gender mainstreaming strategy PSM (public sector mon.) (90*1300)+(90*251)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant to develop management system/operating procedures (110*1300)+(110*251)+1500 | 1,567 | 110 | 172,370 | 172,370 |
| Consultant to develop SES (90days*1300)+(251*90)+1500 | 1,567 | 90 | 141,030 | 141,030 |
| Consultant to develop M&E system (60*1300, 60*251+1500) | 1,567 | 60 | 94,020 | 94,020 |
| Consultants on E-governance strategy (70*1300)+(251*70)+1500 | 1,567 | 70 | 109,690 | 109,690 |
| Sub-Total | | | 2,444,520 | 2,444,520 |
| TOTAL PERSONNEL | | | **3,918,892** | 3,918,892 |
| **Contracts** | | | | |
| | | | | |
| TOTAL CONTRACTS | | | 0 | 0 |
| **Training** | | | | |
| TOTAL TRAINING | | | 0 | 0 |
| **Meetings** | | | | |
| Quarterly & ADHOC meeting on PSM/at national level($5000* 20meetings) | 5,000 | 18 | 90,000 | 90,000 |
| Quarterly & ADHOC meeting on PSM/at local level($5000* 4meetings) | 5,000 | 4 | 20,000 | 20,000 |
| TOTAL MEETING | | | 110,000 | 110,000 |
| **Equipment** | | | | |
| TOTAL EQUIPMENT | | | 0 | 0 |
| **Supplies and Commodities** | | | | |

| | | | | |
|---|---|---|---|---|
| Supply & Comm. | 2,110 | 5 | 10,550 | 10,550 |
| Supply for meeting for civil service council (10meetings*8pax@$65PP). | 1,300 | 8 | 10,400 | 10,400 |
| Supplies for meetings of taskforce (10 meetings*20pax@ 65pp) | 1,300 | 10 | 13,000 | 13,000 |
| IT Supplies for project team in Amman | 1,400 | 3 | 4,200 | 4,200 |
| Supplies for project steering committee meeting | 1,300 | 5 | 6,500 | 6,500 |
| Project Team-STAFF- (5) Life support (accommodation, rental of offices, meals, security)-Baghdad | 6,100 | 5 | 30,500 | 30,500 |
| International consultants (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 141,996 | 1 | 141,996 | 141,996 |
| Project Team (5) Life support cost (accommodation, meals, rental of premises, and security in Baghdad) | 6,100 | 5 | 30,500 | 30,500 |
| Office Supply for project team | 2,851 | 5 | 14,255 | 14,255 |
| TOTAL SUPPLIES AND COMMODITIES | | | 261,901 | 261,901 |
| **Travel** | | | | |
| Project team Travel-Jordan-Iraq (10) (average trip$1000 fight, 10 days DSA@170,TRM@$38*4) | 4,000 | 10 | 40,000 | 40,000 |
| Travel - International (10 trips,est. $4000pp) | 4,000 | 10 | 40,000 | 40,000 |
| Internal and External Travel-Consultants | 6,100 | 10 | 61,000 | 61,000 |
| Project Management Expenses (UNDP) Rental & common Premises & Equip ( Governance Unit) | 50,000 | 1 | 50,000 | 50,000 |
| TOTAL TRAVEL | | | 191,000 | 191,000 |
| **Programme/Project Sub -Total** | | | **4,481,793** | 4,481,793 |
| **Miscellaneous (3%)** | | | 134,454 | 134,454 |
| **Security (2%)** | | | 89,636 | 89,636 |
| **Agency Management Support Cost (6.25%)** | | | 294,118 | 294,118 |
| PROJECT TOTAL | | | **5,000,000** | 5,000,000 |

# WHO

**Iraq Public Sector Modernization (I-PSM) Programme**

| Activity | Unit Cost | Qty | Total | Year One |
|---|---|---|---|---|
| **Personnel** | | | | |
| **National Programme Personnel** | | | | |
| Project Associate (G7)-Baghdad WHO | 3,000 | 12 | 36,000 | 36,000 |
| **International Programme Personnel** | | | | |
| Project Manager P5-Baghdad (WHO) (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 39,166 | 12 | 469,992 | 469,992 |
| **National Consultants** | | | | |
| Consultant to develop National PSM programme document | 500 | 60 | 30,000 | 30,000 |
| **International Consultants** | | | | |
| Consultant to develop National PSM programme document | 1,567 | 60 | 94,020 | 94,020 |
| **Contracts** | | | | |
| Functional review of Ministry of Health | 680,000 | 1 | 680,000 | 680,000 |
| Sectoral service delivery assessment & costing in health sector | 456,705 | 1 | 456,705 | 456,705 |
| **Supplies and Commodities** | | | | |
| Supplies for meetings of sectoral taskforces (100 meetings*20pax@ 65pp) | 1,300 | 20 | 26,000 | 26,000 |
| **Programme/Project Sub -Total** | | | 1,792,717 | 1,792,717 |
| **Miscellaneous (3%)** | | | 53,782 | 53,782 |
| **Security (2%)** | | | 35,854 | 35,854 |
| **Agency Management Support Cost (6.25%)** | | | 117,647 | 117,647 |
| **Total** | | | **2,000,000** | **2,000,000** |

| UNESCO | | | | |
|---|---|---|---|---|
| **Activity** | **Unit Cost** | **Qty** | **Total** | **Year one** |

| | | | | |
|---|---|---|---|---|
| **Personnel** | | | | |
| **National Programme Personnel** | | | | |
| Project Associate (G7)-Baghdad UNESCO | 3,000 | 12 | 36,000 | 36,000 |
| **International Programme Personnel** | | | | |
| Project Manager P5-Baghdad (UNESCO) (life support (accommodation IZ, and RZ, rental of offices, meals inside IZ, security outside IZ) | 39,166 | 12 | 469,992 | 469,992 |
| **National Consultants** | | | | |
| Consultant to develop National PSM programme document | 500 | 30 | 15,000 | 15,000 |
| **International Consultant** | | | | |
| Consultants to develop National PSM programme document | 1,567 | 30 | 47,010 | 47,010 |
| **Contracts** | | | | |
| Functional review of Ministry of Higher Education | 754,715 | 1 | 754,715 | 754,715 |
| Sectoral service delivery assessment & costing in higher Educational sector | 444,000 | 1 | 444,000 | 444,000 |
| **Supplies and Commodities** | | | | |
| Supplies for meetings of sectoral taskforces (100 meetings*20pax@ 65pp) | 1,300 | 20 | 26,000 | 26,000 |
| **Programme/Project Sub -Total** | | | **1,792,717** | 1,792,717 |
| **Miscellaneous (3%)** | | | 53,782 | 53,782 |
| **Security (2%)** | | | 35,854 | 35,854 |
| **Agency Management Support Cost (6.25%)** | | | 117,647 | 117,647 |
| PROJECT TOTAL | | | **2,000,000** | 2,000,000 |

| UNHABITAT | | | | |
|---|---|---|---|---|
| **Activity** | **Unit Cost** | **Qty** | **Total** | **Year One** |
| **Personnel** | | | | |
| **National Programme Personnel** | | | | |
| Project Associate (G7)-Baghdad UNHABITAT | 4,500 | 12 | 54,000 | 54,000 |
| National Officers, NOC | 6,100 | 12 | 73,200 | 73,200 |
| Core national support staff | 5,000 | 3 | 15,000 | 15,000 |
| **International Programme Personnel** | | | | |
| Project Manager P5- Amman based travelling to Baghdad WATSAN reform (UNHABITAT) | 23,000 | 12 | 276,000 | 276,000 |
| Project Staff P5- Amman based travelling to Baghdad LOCAL GOVT (UNHABITAT) | 23,000 | 12 | 276,000 | 276,000 |
| Project Management Staff | 20,000 | 5 | 100,000 | 100,000 |
| Total Personnel | | | | 794,200 |
| **International Consultants &Contracts** | | | | |
| Chief Technical Advisor | 1,200 | 165 | 198,000 | 198,000 |
| 1 Water and Sanitation Consultant to develop national PSM prog-document strategy | 1,651 | 90 | 148,590 | 148,590 |
| 1 Local Government and Decentralization Specialist | 1,200 | 70 | 84,000 | 84,000 |
| 1 Public Financial Management Specialist | 1,200 | 120 | 144,000 | 144,000 |
| National Consultants WATSAN reform | 500 | 120 | 60,000 | 60,000 |
| National Consultants LOCAL Government | 500 | 120 | 60,000 | 60,000 |
| Translator | 350 | 300 | 105,000 | 105,000 |
| Admin/Communication support (editorial/ logistic) | 190 | 350 | 66,500 | 66,500 |
| | | | | 866,090 |
| **Training workshops** | | | | |
| Consensus building workshop (40 part @3 days) | 200 | 120 | 24,000 | 24,000 |
| Validation of outcomes of functional review 20 part @3 days for 2 sectors | 200 | 180 | 36,000 | 36,000 |
| | | | | 60,000 |
| **Supplies and Commodities** | | | | |
| Supplies for meetings (20 meeting) | 1,500 | 11 | 16,500 | 16,500 |
| **Travel** | | | | |
| Project team Travel-Jordan-Iraq (6) (average trip$1000 fight, 10 days DSA@170,TRM@$38*4) | 4,000 | 7 | 28,000 | 28,000 |
| Travel International (7 Trips est,$3989.6) | 3,990 | 7 | 27,927 | 27,927 |
| | | | | 55,927 |
| | | | | |
| **Programme/Project Sub -Total** | | | | 1,792,717 |
| **Miscellaneous (3%)** | | | | 53,782 |
| **Security (2%)** | | | | 35,854 |
| **Agency Management Support Cost (6.25%)** | | | | 117,647 |
| **Total** | | | | **2,000,000** |

| UNICEF (WESH/EDU) | | | |
|---|---|---|---|
| **Activity** | **Unit Cost** | **Qty** | **12 months** |
| **Personnel** | | | |
| **National Programme Personnel** | | | |
| Project Associate (G7)-Baghdad UNICEF | 4,500 | 12 | 54,000 |
| National Officers, NOC ( One of Wesh/One for EDU) | 6,200 | 24 | 148,800 |
| **International Programme Personnel** | | | |
| Project Manager P5-Amman based with travelling to Baghdad(UNICEF) | 23,000 | 12 | 276,000 |
| Total UNICEF staff | | | **478,800** |
| **Institutional Consultant contracts** | | days | |
| Chief Technical Advisor, Baghdad | 1,200 | 195 | 234,000 |
| Education Sector Specialist | 1,200 | 70 | 84,000 |
| Water Sector Specialists | 1,200 | 70 | 84,000 |
| PMF expert | 1,200 | 120 | 144,000 |
| National consultants water | 500 | 120 | 60,000 |
| National Consultants education | 500 | 120 | 60,000 |
| Translator | 350 | 360 | 126,000 |
| Admin/Communication support(editorial, logistic) | 194 | 350 | 67,900 |
| Security, life support, accommodation, office rent, road/flight transport, communication | Lump sum | | 852,032 |
| | | | 1,711,932 |
| **Training workshops** | | | |
| Consensus building workshop (40 part@3 days for 2 sectors) | 200 | 240 | 48,000 |
| Validation of outcomes of functional review 20part @3 days for 2 sector - 3 times | 200 | 360 | 72,000 |
| | | | **120,000** |
| **Travel** | | | |
| Sectoral reform implementation team travel to and inside Iraq (@7 days | 3,300 | 6 | 19,800 |
| | | | |
| **Programme/Project Sub -Total** | | | **2,330,532** |
| **Miscellaneous (3%)** | | | 69,916 |
| **Security (2%)** | | | 46,611 |
| **Agency Management Support Cost (6.25%)** | | | 152,941 |
| PROJECT TOTAL | | | **2,600,000** |

**Iraq Public Sector Modernization (I-PSM) Programme**

## Annex A - Agency Project Status Profiles: (Please note that all commitment and disbursement figures are non-certified)

| UNDP | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Project ID #** | **Project Title** | **Total Budget (US$)** | **Implementation Rate(%complete as at 31 Aug 09)** | **Commitments (% as at 31 August 09)** | **Disbursements (% as at 31 August 09)** | **Remarks** |
| **1** | C9-02 | Support to Ministry of Planning and Development Cooperation (MoPDC) | 1,744,000 | 100% | 0% | 100% | |
| **2** | C9-05 | Capacity Building and Institutional Strengthening of Municipal Ministry of Public Works | 3,018,710 | 99% | 0% | 99% | |
| **3** | C9-10a | Institutional Support for the Constitutional Drafting Process | 14,648,252 | 100% | 0% | 100% | |
| **4** | C9-12 | Support to Government of Iraq in International Assistance Coordination and Capacity Building | 2,643,000 | 86.8% | 3.8% | 83% | |
| **5** | C9-18 | Supreme Audit Board | 4,879,535 | 96% | 0% | 96% | |
| **6** | C9-21a* | Capacity Building for –NCCMD | 1,057,648 | 80% | 0% | 80% | |
| **7** | C9-21a | Support to the Iraqi Council of Representatives | 629,748 | 100% | 0% | 100% | |
| **8** | C9-21a | Capacity Building for the Iraqi National Institute of Human Rights | 433,384 | 90% | 0% | 90% | |
| **9** | C9-21a | National dialogue & civil society | 678,810 | 85.5% | 0% | 85.5% | |
| **10** | C9-21a | (Rule of Law-Constitution) | 690,385 | 81 % | 4% | 77% | |
| **11** | C9-21a | Supporting MOI and MOD in mainstreaming Human Rights into their work and Structures | 510,025 | 100% | 0% | 100% | |
| **12** | C9-24 | Support to Decentralization and Local Governance for Service Delivery – Preparatory Phase | 6,118,704 | 2.4% | 0% | 2.4% | |
| **13** | C9-26 | Support the Media in its Role of Fostering Peace and Democracy | 6,131,285 | 10% | 0% | 10% | |
| **14** | C9-27 | Support to the Development of Justice and the Rule of Law | 5,909,994 | 4.5% | 0% | 4.5% | |
| **15** | G11-14a | Institutional Development – Organizational and HR Capacity Building for the Independent Electoral Commission of Iraq and the Iraqi High Election Commission (IECI/IHEC) | 3,735,426 | 97% | 17% | 80% | |
| **16** | G11-20 | Technical Assistance to IHEC, Phase II | 3,674,736 | 25% | 1.5% | 23.5% | |
| | | **TOTALS (US$)** | **56,503,642** | **72%** | **2%** | **71%** | |

**Iraq Public Sector Modernization (I-PSM) Programme**

| WHO | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sl. #** | **Project ID #** | **Project Title** | **Total Budget (US$)** | **Implementation Rate (% complete)** | **Commitments (% as of ___)** | **Disbursements (% as of ____** | **Remarks** |
| **2** | **C10-09e** | Area Based Development Programme – Local Area Development Plans (LADP) | **3,210,675** | 80 | 86 | 34 | |
| **3** | **D2-03** | Supporting Primary Health Care System | **37,363,516** | 100 | 100 | 100 | |
| **4** | **D2-04** | Re-establishing the National Drug Quality Control Laboratory | **5,977,090** | 100 | 100 | 99 | |
| **5** | **D2-05** | Non-Communicable Diseases and Mental Health | **11,000,000** | 100 | 99 | 97 | |
| **6** | **D2-07** | Improving Preparedness and Response to an Impending Cholera Outbreak | **857,964** | 100 | 100 | 100 | |
| **7** | **D2-09** | Malaria and Leishmania Control and Prevention Emergency Programme | **5,156,640** | 100 | 100 | 100 | |
| **8** | **D2-10** | Health Care Waste Management | **1,407,722** | 100 | 100 | 93 | |
| **9** | **D2-11** | Provision of Emergency Medical Oxygen Supply in Baghdad, Mosul and Kirkuk | **2,824,760** | 95 | 98 | 62 | |
| **10** | **D2-15** | Strengthening Medical Equipment Management and Maintenance System Across Iraq | **1,718,281** | 100 | 99.9 | 98 | |
| **11** | **D2-18a** | Avian and Pandemic Influenza Preparedness and Control | **4,365,921** | 100 | 99 | 79 | |
| **12** | **D2-19b** | Disease Eradication; Elimination and Introducing New Vaccines | **6,201,841** | 100 | 100 | 88 | |
| **13** | **D2-20** | Communicable Diseases Prevention and Control Programme | **5,233,263** | 95 | 95 | 75 | |
| **14** | **E3-03** | Water Quality Control and Surveillance | **6,262,094** | 100 | 100 | 100 | |

**Iraq Public Sector Modernization (I-PSM) Programme**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **15** | **E3-11a** | Water Quality Control and Surveillance in Iraq Phase II | **2,700,895** | 100 | 100 | 100 | |
| **16** | **B1-19b** | Integrated Community-based Project to Deliver Quality-based Social Services | **300,000** | 100 | 100 | 97 | |
| **17** | **D2-16a** | Strengthening Immunization Services in Iraq Phase 2 | **6,221,828** | 100 | 100 | 100 | |
| **18** | **D2-17a** | Rebuilding Food Safety and Food Processing Industry Capacity | **3,015,117** | 98 | 99 | 97 | |
| **19** | **D2-24a** | Cholera Outbreak, Early Detection and Mortality Reduction | **3,469,718** | 98 | 98 | 82 | |
| **20** | **B1-33d** | Supporting the Efforts of Government of Iraq in Developing the Capacity of the Iraqi Education Sector through Enhancing the Learning Environment in Vulnerable Areas in Iraq for Meeting the EFA Goals | **810,183** | 5 | 10 | 3 | |
| **21** | **E3-16b** | Water Security and Safety for the Vulnerable Communities in Suleimaniyah City | **860,639** | 40 | 38 | 17 | |
| **22** | **D2-25a** | Strengthening of the Primary Health Care System in Iraq - Phase II | **5,930,368** | 15 | 13 | 4 | |
| | | **Totals** | **116,645,795** | 87 | 94 | 87 | |

| UNICEF | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sl. #** | **Project ID #** | **Project Title** | **Total Budget (US$)** | **Implementation Rate (% complete)** | **Commitments (%as of 30 June 2009)** | **Disbursements (% as of 30 June 2009** | **Remarks** |
| | **D2-19a** | Disease Eradication; Elimination and Introducing New Vaccines | 5,798,159 | 100% | 100% | 100% | |
| | **B1-32** | Integrated Community-Based Services Project Basrah | 1,755,155 | 94% | 99.9% | 91.7% | |
| | **B1-29a** | School Rehabilitation and Capacity Development for Enhanced Access and Retention in Primary Education | 7,312,914 | 85% | 99.9% | 96.3% | |
| | **E3-13a** | Rehabilitation of Sewerage Facilities in Select Locations in Basrah City | 1,526,844 | 97% | 100.0% | 93.7% | |
| | **E3-13c** | Extension of Storm Water and Sewerage Network in Select Locations in Kerbala Governorate | 1,934,940 | 92% | 100.0% | 77.4% | |
| | **E3-11b** | Water Quality Control and Surveillance in Iraq Phase II | 1,596,748 | 65% | 90.8% | 90.8% | |
| | **E3-14b** | Solid Waste Management Project for Iraqi Ministry of Municipalities and Public Works and the Governorate of Basra | 3,921,015 | 30% | 50.3% | 28.3% | |
| | **E3-16a** | Up-grading Sarchinar Water Project and Associated Works in Suleimaniyah | 3,858,919 | 5% | 30.5% | 10.2% | |
| | **B1-33a** | Supporting the efforts of GOI in developing the capacity of the Iraqi Education Sector/Enhancing the Learning Environment in Vulnerable Areas in Iraq for meeting EFA goals | 4,981,991 | 4% | 17.8% | 13.6% | |
| | **D2-25b** | Strengthening of the Primary Health Care System in Iraq – Phase 2 | 5,987,632 | 0% | Fund received | Fund received | |
| | **F8-10a** | Strengthening Protection and Justice for Children and Young People in Iraq | 2,000,000 | 0% | Fund received | Fund received | |
| | | **Totals** | **40,674,317** | 64% | 77% | 67% | |

**Iraq Public Sector Modernization (I-PSM) Programme**

| UNESCO | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sl. #** | **Project ID #** | **Project Title** | **Total Budget (US$)** | **Implementation Rate (% complete)** | **Commitments (% as of 3 Nov 2009)** | **Disbursements (% as of 3 Nov 2009)** | **Remarks** |
| | **C10-109d** | Local Area Development Programme (LADP) / Area Based Development | 3,235,570 | 70% | 71.7% | 46% | |
| | **C10-108a** | Restoration of Al Askari Shrine in Samarra City and Rehabilitation of Other Damaged Religious Sites Throughout Iraq | 5,400,000 | 80% | 97.5% | 77% | |
| | | **Totals** | 8,635,570 | 75% | 85% | 62% | |

| UNHABITAT | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sl. # | Project ID # | Project Title | Total Budget (US$) | Implementation Rate (% complete) | Commitments (% as of 30 Sep (2009) | Disbursements (% as of 30 Sep 2009 | Remarks |
| 1 | C10-9c | Local Area Based Development Programme LADP for selected target areas in Hilla, Suleymaniah, Missan, Thiqar and Basrah | 3,986,250 | 70% | 76% | 55% | |
| 2 | E3-14b | Solid Waste Management Project SWM for Iraqi Ministry of Municipalities and Public Works and the Governorate of Basra | 2,396,426 | 70% | 78.3% | 39% | |
| 3 | C10-11f | Private Sector Development Programme for Iraq PSD (first tranche) | 730,594 | 35% | 42% | 18% | |
| 4 | C10-10 | Local Government Association and Urban Development Capacity Building Project | 1,985,256 | 11% | 29% | 10% | |
| 5 | C9-24 | Support to Decentralization and Local Governance for Service Delivery – Preparatory Phase DEC-L/Gov | 1,194,070 | 1% | 0% | 0% | |
| 6 | E4-11 | Strengthening Urban Sector through Building Capacities in Municipal Planning and Management | 2,550,215 | 100% | 100% | 100% | |
| | | **Totals** | 12,842,811 | 48% | 54% | 37% | |