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USAID IRAQ ADMINISTRATIVE REFORM PROJECT

MONTHLY PROGRESS REPORT
DECEMBER 2011

2 JANUARY 2012

This publication was produced for review by the United States Agency for International Development. It was prepared by Management Systems International.

USAID IRAQ ADMINISTRATIVE REFORM PROJECT

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Contracted: AID-267-C-11-00005
Iraq Administrative Reform Project



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ACRONYMS

AAD	Administrative Appeals Division
AD	Administrative Decentralization
BPP	Bureau of Public Policy
COM	Council of Ministers
COMSEC	Council of Ministers' Secretariat
CoS	Chief of Staff
COTR	Contracting Officer's Technical Representative
CSR	Civil Service Reform Component
DG	Director General
FCSC	Federal Civil Service Commission
FCSI	Federal Civil Service Institute
GoI	Government of Iraq
GSP	Governance Support Project
HC	High Committee (for Civil Service Reform)
HR	Human Resources
HRD	Human Resources Division
HRM	Human Resource Management
IDMS	Iraqi Development Management System
INMS	Iraqi National Monitoring System
IPRU	Industrial Planning and Reconstruction Unit
MoC	Ministry of Communications
MoCH	Ministry of Construction and Housing
MoCu	Ministry of Culture
MoED	Ministry of Education
MoEl	Ministry of Electricity
MoEnv	Ministry of Environment
MoHED	Ministry of Higher Education
MoHR	Ministry of Human Rights
MoIM	Ministry of Industry and Minerals
MoJ	Ministry of Justice
MoLSA	Ministry of Labor and Social Affairs
MoMD	Ministry of Migrants and Displaced
MoMPW	Ministry of Municipalities and Public Works
MoO	Ministry of Oil
MoP	Ministry of Planning
MoTr	Ministry of Transport
MoT	Ministry of Trade
MoTo	Ministry of Tourism
MoYS	Ministry of Youth and Sport
MSI	Management Systems International
NDP	National Development Plan
NIC	National Investment Commission
NPM	National Policy Management Component
OD	Organizational Development
OPD	Office of Policy Development
PCSC	Provincial Civil Service Commission
PMAC	Prime Minister's Advisory Council
PMO	Prime Minister's Office
ISRAR	Iraq System for Regulatory and Administrative Reform
SES	Senior Executive Service

This report summarizes project activities and accomplishments under the Iraq Administrative Reform Project (USAID - *Tarabot*¹) for the period December 1 - 31, 2011. The next Monthly Report for January is due on February 2, 2012.

Summary

Events: The USAID-*Tarabot* project greatly expanded and accelerated its activities during December. This is acceleration is succinctly indicated by the numbers of December events and their distribution:

- **Total Events:** USAID-*Tarabot* teams held 119 events (workshops and formal meetings) during December, compared to 87 such events in November.
- **Locations:** 54 of these events were held at locations in Baghdad, while 65 events were delivered on location in 12 provinces.
- **Type of Event:** 110 events in December were formal assessment meetings, action planning, or implementation workshops. Only 9 events were strictly introductory meetings.
- **Institutions:** 39 of these events were with 17 ministries; 54 events supported the governors' offices; and 18 events were directly with the executive offices.
- **Tarabot Components:** 15 events were carried out by the civil service reform component, 21 by the national policy development component, and 69 by the administrative decentralization component

Civil Service Reform:

- **Human Resources Management.** The High Committee hosted two important and inter-related workshops in December to advance the process of restructuring the HR structures throughout the government. The first workshop on HR management reforms followed up on the progress since the previous workshops. This workshop was attended by ministry HR DGs, Governors' offices HR DGs.
- **Human Resources Management Information System (HRMIS).** The second workshop was a special one-day event focused on the issue of introducing a uniform government-wide HR management information system. This workshop, co-hosted by the High Committee, the Ministry of Defense, and USAID-*Tarabot*, reaffirmed the government's commitment to introducing this major information system, and examined the experience of the Ministry of Defense in relation to introducing such a system throughout the government at an estimated cost of US \$35 million.
- **Legal Reform.** During December, the High Committee for Civil Service Reform, with assistance from USAID-*Tarabot*, completed the revisions and review of the final chapters of the draft civil service law.

National Policy Management:

- **Executive Policy Development Offices.** USAID-*Tarabot* delivered a series of seminars and held high level consultations regarding the structure, functions, and staffing of the Policy Development Office (PDO) under the Prime Minister's Office, and the Presidency's Bureau for Public Policy,
- **Ministries.** The primary focus is to involve ministries with a strong role in the economy in the policy development process. The Ministries of Trade, Industry & Minerals, Agriculture, and Electricity, as well as the National Investment Commission, and the Deputy Prime Minister for Energy all participated in important consultations and workshops during December, with a focus on developing Policy Units in each institution in order to build its capacity to contribute to national policy development in coordination with the Policy Development Office of the Prime Minister's Office.
- **Provinces.** The team also delivered a series of seminars to the provinces of Baghdad, Babil, and Ninawa regarding the important provincial role in the national policy development process.
- **Non-Governmental Institutions.** Additional events in December focused on non-governmental actors, especially the University of Baghdad, the newly-established NGO Public Policy Forum, the Organization for the

¹ For brevity and convenience the Administrative Reform Project is referred to in text by its Arabic name, *Tarabot*, meaning "Linkage".

Advancement of Women, and representatives of the media, exploring the policy roles of each of these types of organization.

- **Regulatory Reform.** Significant progress was achieved for the regulatory reform initiative during December. The initiative received the full endorsement of the PMO as well as from four key ministers, including the Minister of Justice. The PMO leadership agreed upon a name for the project, "ISRAR" (Iraq Solutions for Regulatory and Administrative Reform, with "*Israr*" meaning "determination" in Arabic). The PMO leadership reaffirmed its commitment to identify an effective, full-time ISRAR project head, and to establish of an overarching ISRAR Steering Committee.
- **Memoranda of Understanding.** Two draft MOUs were submitted, with Arabic language translations, to the Office of the Prime Minister for final approval, one for the PM's Office of Policy Development, and the other for ISRAR, and the team also confirmed the PMO's commitment to securing Prime Ministerial decrees in support of each of these two programs.

Administrative Decentralization:

December was a dynamic period for the USAID–*Tarabot's* Administrative Development (AD) component with transition from initial engagement to the assessment and action planning phases well underway.

- **New Partners.** The month also saw the team initiate contact and begin exploring opportunities to engage with new GoI counterparts including the Ministry of Culture (MoC), Ministry of Oil (MoO), Ministry of Tourism, COMSEC, and the Presidency Divan.
- **Ministry Partners.** The AD team is now working with, or in discussions with, a total of 14 ministries including: Planning, Municipalities & Public Works, Education, Higher Education, Labor & Social Affairs, Oil, Electricity, Construction & Housing, Trade, Tourism, Culture, Human Rights, Migrants & Displaced, Environment.
- **Prioritization.** The priorities are on (1) ministries with large capital investment budgets where USAID-*Tarabot* will be providing a "full" range of services as selected by the ministries; (2) on several other ministries where USAID-*Tarabot*, by agreements with the ministry, will be providing only one discrete and highly tailored service, and (3) on each ministry's and governor's office's own priorities and interests.
- **Provinces.** The effort in the provinces expanded, solidified, and deepened considerably this month, both in relation to the governors' offices and with key ministries provincial level directorates.
- **Coordination with Governance Support Project.** As a result of a series of discussions among USAID, *Tarabot*, and GSP the broad complementary lines of the two project's engagement with governors' offices have been established. GSP will lead on governance, including coordination between the governor's office and the Provincial Council, with the sub-provincial political entities, with private sector players, and with the ministries' provincial directorates. GSP will lead the process of provincial strategic socio-economic planning and internal capacity development for improved governance and strategic planning. *Tarabot* will focus on capacity building in those areas most directly related to the National Development Plan, including areas that directly address improved budget execution such as procurement and project-level planning and management.
- **Political Affiliations.** It is important to note that this list includes a number of important ministries and provinces whose minister (or governor) is from the Sadrist political bloc, and others from the Iraqiya bloc that is currently "boycotting" the CoR and CoM. USAID-*Tarabot* manages to work equally well with ministries regardless of their current political affiliations and situations. Of special importance in this regard is USAID-*Tarabot's* close cooperation with two very important ministries regarding decentralization and capital investment, Planning and Municipalities & Public Works.
- **Assessments, Action Plans, and MoUs.** The process of carrying out assessments and developing action plans for each substantive type of assistance (procurement, project management, service centers, etc.) for each ministry and governor's office will lead to establishing the estimated dollar value of each ministries' and governorate's program upon which can be based the MoU.

COMPONENT I: CIVIL SERVICE REFORM

SUMMARY

- **Human Resources Management.** The High Committee hosted two important and inter-related workshops in December to advance the process of restructuring the HR structures throughout the government. The first workshop on HR management reforms followed up on the progress since the previous workshops. This workshop was attended by ministry HR DGs, Governors' offices HR DGs.
- **Human Resources Management Information System (HRMIS).** The second workshop was a special one-day event focused on the issue of introducing a uniform government-wide HR management information system. This workshop, co-hosted by the High Committee, the Ministry of Defense, and USAID-*Tarabot*, reaffirmed the government's commitment to introducing this major information system, and examined the experience of the Ministry of Defense in relation to introducing such a system throughout the government at an estimated cost of US\$35 million.
- **Legal Reform.** During December, the High Committee for Civil Service Reform, with assistance from USAID-*Tarabot*, completed the revisions and review of the final chapters of the draft civil service law.

PROGRAM DETAILS

High Committee for Civil Service Reform Hosted by the High Committee (HC) for Civil Service Reform and taking place at COMSEC's conference center in Baghdad, USAID-*Tarabot's* CSR team this month facilitated a workshop on civil service reform. Attendees included Directors General (Administration) of Federal Ministries, Deputy Governors (Administration) in provinces and Directors of Human Resources divisions in the Federal Ministries and Provinces, including six women. Introducing USAID-*Tarabot's* CSR program, the event also promoted understanding of the new functions and enhanced role of HR Divisions (HRD) within the Iraqi Civil Service.

Following the inauguration of the event by the HC Chairman, the CSR team presented the legal and institutional background to the revised HRD structure of the Iraqi Civil service. Delegates from COMSEC, Ministries of Planning, Communication, Agriculture, Health, Finance, Oil, Industry and Minerals, Education, Higher Education and Scientific Research and the Governorates of Baghdad and Basrah discussed the CSR team's activities assisting the development of the ten Federal Ministries and three Provincial Governorates. Participants, including the Chairman of the HC for Civil Service Reform, expressed their enthusiasm for full participation in this important program.

Legal Reform The CSR team worked with the HC throughout December finalizing the review of the last chapters of the draft civil service law, and assisting in the drafting of a policy paper which will explain the rationale behind the new legislation and how and why it differs from the old. This policy paper will accompany the draft law when presented to the Cabinet, the Shura Council and the Parliament.

To ensure the rules relating to the civil service are provided only in the civil service law, the HC is working on amending Law # 21 in order to abrogate provisions related to provincial civil service, e.g. the Governor's powers of appointment.

Civil Service Commissions Work on defining the duties and responsibilities of six departments of the Federal Civil Service Commission (FCSC), as prescribed under the FCSC Law (#4 of 2009) continued this month with the CSR team defining the duties and responsibilities of the Commission's departments. Work on the Administrative Studies and Research Department and its two divisions (Organization Research and Development, and Monitoring and Evaluation) and the Public Administration Development Department (Recruitment, Human Resource Policy, and Training and Development) and one unit (the Senior Executive Service Unit) was completed. Duties and

responsibilities for the Coordination and Follow up with Ministries/Agencies Department and the Office of Chairperson Department were also finalized. The Coordination and Follow up with Ministries/Agencies Department consists of two divisions (the Ministry, Government Agency and Provincial Relations Division, and the Communications and Public Relations Division), while the Office of Chairperson Department consists of three units (the Chairperson's Executive Office, the Internal Audit Unit, and the Commission's Secretariat). The duties and responsibilities of departments, divisions and units will provide the basis for identification of staffing needs of FCSC.

Establishing modern HR Management practices in line ministries and provinces The HC for Civil Service Reform workshop held at COMSEC in Baghdad also introduced fifty four manager managers and staff from HRDs in Federal Ministries and Provinces, including 24 women, to USAID – *Tarabot's* program on Human Resources Management Topics included the new functions and enhanced role of HRDs within the Iraqi Civil Service, and the practical implications of these changes. The CSR team presented the principles, requirements and practices of implementing the legal requirement for all recruitment, transfers and promotions in the civil service to be based on merit to participants from COMSEC, the Federal Ministries of Planning, Communication, Agriculture, Health, Finance, Oil, Industry and Minerals, Education, and the Governorates of Baghdad, Ninawa and Basrah. Engaging in serious discussion on the process of developing their HRDs, participants expressed a keen interest in future training workshops.

The CSR team also facilitated a seminar on the establishment of a government-wide HRMIS. The HR managers and information technologists from thirty one ministries and twenty five government agencies were invited to participate in the event which was attended by sixty three delegates (including twenty four women). Following an introduction by the Chairman of the HC for Civil Service Reform, explaining that the aim of the seminar was to deliberate over the nature and scope of the proposed HRMIS, representatives from the Ministry of Defense and the Ministry of Planning described different approaches they had taken to develop and implement their own versions of HRMIS. The Ministry of Defense had selected a standard suite of HRMIS applications, whereas the Ministry of Planning had designed and developed an HRMIS to meet their specific needs. Their comprehensive presentations led to lively discussion of the advantages and disadvantages accompanying these two types of HRMIS. USAID - *Tarabot's* CSR team then described the best practice approach to define requirements, and select and install a government-wide system, explaining the importance of ensuring participation of HR managers in the HRMIS project to ensure that the user specifications were adequately designed to meet the realistic requirements of line managers and HR staff.

The HC Chairman concluded the seminar by stating that a standard HRMIS system would be installed throughout the civil service. An HRMIS committee, as a subcommittee of the HC, has been constituted to coordinate these efforts with USAID - *Tarabot* mobilizing an HRMIS expert to assist the committee's efforts. Many ministries and government agencies already have databases of personnel records that will provide a good start to a nationwide HRMIS by allowing the transfer of this data base to new system.

Federal Civil Service Institute (FCSI) and Training Centers in Ministries The CSR team initiated its assessment of staffing needs for the Training and Development Units of Ministry of Agriculture, COMSEC, Baghdad Governorate, the Ministry of Health and the Ministry of Planning. This assessment will provide information on the current capacities of the staff of each Training and Development Unit and recommend appropriate capacity development activities for the future.

The team also continued its consultation with stakeholders on the FCSI's mandate and functions. The Institute's main functions outlined to date are (a) To assist Federal Civil Service commission to develop national training and HR development policies; (b) To implement National Training and Development policies; (c) To certify training and development providers; (d) To provide technical assistance to Training Centers in Ministries and Governorates; To provide opportunity to Senior Civil Servants (Grade 4 and above) to improve their skills and knowledge; and, (e) To provide learning and development opportunities for civil servants, carrying out the core administrative functions (Program Management, Strategy and Policy, Procurement, Human Resource Management and Financial Management).

COMPONENT 2: NATIONAL POLICY MANAGEMENT

SUMMARY

- **Executive Policy Development Offices.** USAID-*Tarabot* delivered a series of seminars and held high level consultations regarding the structure, functions, and staffing of the Policy Development Office (PDO) under the Prime Minister's Office, and the Presidency's Bureau for Public Policy.
- **Ministries.** The primary focus is to involve ministries with a strong role in the economy in the policy development process. The Ministries of Trade, Industry & Minerals, Agriculture, and Electricity, as well as the National Investment Commission, and the Deputy Prime Minister for Energy all participated in important consultations and workshops during December, with a focus on developing Policy Units in each institution in order to build its capacity to contribute to national policy development in coordination with the Policy Development Office of the Prime Minister's Office.
- **Provinces.** The team also delivered a series of seminars to the provinces of Baghdad, Babil, and Ninawa, regarding the important provincial role in the national policy development process.
- **Non-Governmental Institutions.** Additional events in December focused on non-governmental actors, especially the University of Baghdad, the newly-established NGO Public Policy Forum, the Organization for the Advancement of Women, and representatives of the media, exploring the policy roles of each of these types of organization.
- **Regulatory Reform.** Significant progress was achieved for the regulatory reform initiative during December. The initiative received the full endorsement of the PMO as well as from four key ministers, including the Minister of Justice. The PMO leadership agreed upon a name for the project, "ISRAR" (Iraq Solutions for Regulatory and Administrative Reform, with "*Israr*" meaning "determination" in Arabic). The PMO leadership reaffirmed its commitment to identify an effective, full-time ISRAR project head, and to establish of an overarching ISRAR Steering Committee.
- **Memoranda of Understanding.** Two draft MOUs were submitted, with Arabic language translations, to the Office of the Prime Minister for final approval, one for the PM's Office of Policy Development, and the other for ISRAR, and the team also confirmed the PMO's commitment to securing Prime Ministerial decrees in support of each of these two programs.

PROGRAM DETAILS

Office of Policy Development in PMO The NPM team met with three members of the Ministry of Industry and Minerals' (MoIM) Public Policy Unit (PPU) this month, the culmination of a series of meetings held with Ministry staff over the past three months, beginning with the Minister, who, together with the Senior Advisor for Planning, eagerly anticipates utilizing the resources provided through USAID – *Tarabot's* initiative.

The CoS of the PM invited the Deputy Prime Ministers (DPMs) to assign participants to the fifth session on Strategic Planning for the PMO of Policy Development. In addition to the advisors of the Prime Minister, the DPM for Economic Affairs and the DPM for Services attended the workshop on the "Implementation of Strategic Planning", covering topics including the stages in strategy implementation, MacKenzie 7S theory, indicators for a successful strategy, root causes for failure. The exchange was animated, constructive, and replete with concrete cases to strengthen the pivotal function of the Office of Policy Development in governance. The DPM for Energy expressed his full support of USAID – *Tarabot's* initiative in building the OPD of the PM, and was delighted that the

NPM team was building the capacity of the advisors in the process of policy making and appointed his most senior staff to represent his office in the workshops.

The President's Bureau of Public Policy Following the inauguration of the Bureau of Public Policy of the President of the Republic in October, and the presentation of USAID - *Tarabot's* draft paper to Senior Officials on the structure, functions, management and organizational chart of the bureau, the NPM team this month delivered the first of a series of workshop on the strategic plan of the President's Bureau. Fourteen personnel were identified to staff the Bureau, from the President's Office, the Presidency Diwan, and from the Vice Presidents' Offices. The Iraqi Constitution (Articles 60 and 66) was cited to explain the role of the President in the process of policy making. Participants were introduced to the tools, criteria, and stages of strategic planning, and worked as a group on developing a vision of the Bureau.

Ministries The objective of the event was to introduce the MoIM counterparts to USAID – *Tarabot's* strategic approach designed to strengthen institutional capacity for policy making at the ministerial level. Participants were introduced to the plan of activities for January-September 2012, including a workshop on the policy making process, practicum on policy formulation and implementation, as well as drafting terms of reference, strategy, and standard operating procedures for the PPU. Particular attention was paid to the needs assessment methodology which will diagnose bottlenecks in current procedures and offer recommendations for their improvement. An open and lively exchange of views followed the presentation of each topic with the MoIM representatives voicing their appreciation of the proposed model as its systemic approach and focus on standardized rules of procedure, establishing linkages and proper communication lines across the government horizontally and vertically, as well as with civil society. The meeting concluded with an agreement to launch fully fledged program of technical assistance starting from January.

Following up on an earlier meeting with the Minister of Trade (MoT), a working session was held with the DG of Foreign Economic Relations, and four members of his team designated to work with USAID –*Tarabot*, setting forth plans for activities in the frame of establishing the ministry's PPU, emphasizing the proposed public policy making model's tailoring to the Iraqi political system, its role and systemic approach, and standard operating procedures. The DG emphasized the constitutional grounds and importance of public policy making in Iraq, and shared the previous experience of MoT in establishing a policy development unit, which had been unsuccessful. The Minister was suggested including the Ministry of Agriculture (MoA) in the list of USAID - *Tarabot* counterparts, as this Ministry, along with the MoIM, is the MoT's key government partner. The meeting concluded with the DG's assent to set up the MoT Public Policy Committee within the Foreign Relations Directorate, with four staff members assigned to participate in the public policy making workshops planned for January-March 2012. The DG expressed his willingness to attend the first workshop and to send the MoT trainers to participate and learn from the NPM staff.

Following its earlier meetings in November, the team led an interactive presentation of NPM activities with eight senior officials and staff, including two women from several Ministry of Electricity (MoEl) directorates. The MoEl counterparts engaged the team in an intense and animated dialogue, laying out a host of administrative and legal obstacles which frustrate their task of bringing technical expertise to deliver electricity effectively. The counterparts showed great interest in finding specific ways in which utilizing the resources of USAID - *Tarabot* could meet a wide range of thorny needs of the Ministry, within the scope of NPM public policy and regulatory reform work.

National Investment Commission The Chairman of the National Investment Commission (NIC), who also serves as a member of the Prime Minister's Economic Committee, selected two staff to participate as members of the NIC PPU being established with assistance from USAID-*Tarabot*. Both attorneys, who were trained for ten

months in international arbitration under USAID–*Tatweer*, were provided with draft ToRs, together with a description of proposed activities, including an outline of public policy trainings to be delivered in the new year, beginning with project management, and followed by study of the public policy process, prior to launching into undertaking practical policy making work for the NIC. With the PPU now being put into place, work can move forward to realize the NIC Chairman’s expectation that building public policy capability will significantly enhance his Commission's effectiveness.

Provinces Following the Minister of State for Provincial Affairs’ request for USAID–*Tarabot* to expand its cooperation with his offices in building the capacity of provinces in the area of public policy making, the NPM Team expanded its public policy outreach initiative to two additional provinces, Ninawa and Babil this month. Ten provincial council members, including three women, traveled to Baghdad to join four representatives of the Federal Minister of State for Women Affairs and the Ministry of State for Provincial Affairs, of whom three were women, to participate in discussions about the mechanics of undertaking the public policy process and the role of provinces as stakeholders participating in that process. The Minister emphasized the importance of these discussions for provisional council representatives, to enable them to undertake their responsibility as representatives of their people to participate effectively as stakeholders in the public policy process. The provincial council members seized on this opportunity for serious dialogue and requested additional workshops on the public policy process, to gain valuable experience in using public policy techniques to grapple more successfully with their provinces' issues and concerns. A survey was distributed for completion by participants, exploring different aspects of the relationship between media outlets and public policy in Iraq. The keen interest again displayed in this second workshop for provincial councils bodes well for the prospect of a establishing knowledge, understanding, and use of the public policy process by these and additional provincial councils in Iraq.

Academia USAID- *Tarabot* delivered a second workshop on the public policy process at Baghdad University. The workshop, "Public Policy in the Iraqi Constitution: A Challenge to Academia", was attended by more than fifty university participants included the Vice President, faculty and students representing the Colleges of Political Science, Education, Education for Women, Agriculture, Media, Science, Administration and Economics, Medicine, Law, and Languages; the Centers for International Studies, for Continuing Education, for Education and Psychological Studies; the Council of the University; and the Office of the University President. USAID–*Tarabot's* work with the universities is focused on their developing a better understanding about the process of public policy and the importance of their prospective public policy roles. As stakeholders, as providers of knowledge and analytical capability for policy makers, as researchers, as teachers of public policy both to their students and through outreach to the community, and as originators of policy proposals for presentation to governmental policy makers in think tank environments, Iraqi universities can play critically important roles in the public policy process.

NGOs The NPM team met with the President of the Organization for the Advancement of Women, together with one of her active colleagues, to review their current and prospective initiatives as they relate to the NPM's dual activities, regulatory reform and public policy. USAID–*Tarabot* met with representatives of Public Policies Forum (PPF), a recently established NGO think tank, in the offices of the Minister of State for Provincial Affairs who is also a member of the new forum. The NPM team briefed the audience about its activities with the PMO, Ministers, Provinces, Universities, Media outlets and other private sector stakeholders. PPF discussed its work in public policy through delivering seminars, workshops and lectures to different audiences such as Parliament, University students and Government officials, and asked for assistance in building their human and institutional capacities. The parties agreed to have NPM deliver a workshop in January, 2012, to five NGOs and think tanks to discuss public policy process and to establish a “Public Policy NGOs Network.”

Media The team expanded its public policy outreach initiative with a workshop for the media in December. Thirteen representatives from television, radio and print, together with three professors from the Communications School at University of Baghdad participated actively in discussions on the mechanics of undertaking the public policy process and the role of media as stakeholders in that process. Participants took full advantage of the event, actively engaging in dialogue, posing questions, and voicing clear opinions, and requested more workshops on public policy to assist them to build their capacity to participate meaningfully as stakeholders in the public policy process. A survey was distributed to workshop participants exploring different aspects of the relationship between provincial councils and public policy in Iraq.

Regulatory Reform Reviewing key ISRAR issues for decision, the USAID-*Tarabot* policy team, including the Senior Advisors for the ISRAR, held a working session early in the month with the Chief of Staff (CoS) of the Prime Minister (PM), the Chairman of PMAC, the USAID CBO Director and the COTR for USAID-*Tarabot*. Both the CoS and the PMAC Chairman reiterated their full support for the success of the ISRAR in Iraq, confirming their commitment to having executed a Prime Ministerial decree that mandates the Council of Ministers to engage in the work required to implement the ISRAR, as well as their concurrence with the chosen name for the project, ISRAR, and strongly supported the recruitment of an effective, full-time ISRAR project head.

Implementation Planning. Plans were made for enlisting broad support for the ISRAR, particularly across ministries and in the Council of Representatives, as well as for the establishment of an overarching Regulatory Steering Committee composed of influential members to provide political support for sustaining the effective functioning of the ISRAR working committees reviewing and evaluating legal instruments. Acknowledging the importance of "quick wins" through early approval of small packages of changes in legal instruments, the meeting discussed strategies for moving an omnibus bill of major legislative changes through the Council of Representatives. The meeting reviewed the proposal for the ISRAR's launch date, its scope across institutions and regulatory instruments, the estimated budget and the anticipated IT hardware procurement needs. The GoI structure for implementing the ISRAR program was further clarified in which the Central Unit will be located in the PMO while the ministerial working groups assigned to COMSEC. The ISRAR program would need to be presented to the Council of Ministers for approval as the ministries will be tasked with the implementation activities.

Inventory of Laws, Decrees, and Regulations. Meeting with the Minister of Justice (MoJ), the NPM team provided a general overview of the process, scope and objectives of the ISRAR, seeking the Ministry's participation in the public policy making project. The team also stressed the MoJ's important role in the process as the repository agency of UNDP's inventory of Iraqi laws, decrees, regulations and instructions. The Minister responded enthusiastically to the invitation, agreeing to facilitate the NPM's access to the UNDP's database, as well as encouraging the collaboration of the Shura Council, the High Judicial Council, and the Official Gazette, and assigning the DG of the High Judicial Institute to act as the Ministry's point of contact for ISRAR. Following the meeting, the NPM team contacted the President of the Higher Judicial Council, entrusted with the database of the UNDP inventory, and requested access to the data collections and a copy of all existing laws, decrees, regulations needed to populate the e-Guillotine and implement the review.

A briefing was provided for the World Bank's Senior Private Sector Development Specialist, focusing on current World Bank private sector initiatives and channels which could bolster the effectiveness of non-governmental entities in their roles as stakeholders in the ISRAR legal reform initiative. The meeting stressed the complementarities between the WB Private Sector Development and USAID Regulatory Reform activities.

COMPONENT 3: ADMINISTRATIVE DECENTRALIZATION

SUMMARY

December was a dynamic period for the USAID–*Tarabot's* Administrative Development (AD) component with transition from initial engagement to the assessment and action planning phases well underway.

- **New Partners.** The month also saw the team initiate contact and begin exploring opportunities to engage with new GoI counterparts including the Ministry of Culture (MoC), Ministry of Oil (MoO), Ministry of Tourism, Ministry, COMSEC, and the Presidency Divan.
- **Ministry Partners.** The AD team is now working with, or in discussions with, a total of 14 ministries including: Planning, Municipalities & Public Works, Education, Higher Education, Labor & Social Affairs, Oil, Electricity, Construction & Housing, Trade, Tourism, Culture, Human Rights, Migrants & Displaced, Environment.
- **Prioritization.** The priorities are on (1) ministries with large capital investment budgets where USAID-*Tarabot* will be providing a “full” range of services as selected by the ministries; (2) on several other ministries where USAID-*Tarabot*, by agreements with the ministry, will be providing only one discrete and highly tailored service, and (3) on each ministry’s and governor’s office’s own priorities and interests.
- **Provinces.** The effort in the provinces expanded, solidified, and deepened considerably this month, both in relation to the governors’ offices and with key ministries provincial level directorates.
- **Coordination with Governance Support Project.** As a result of a series of discussions among USAID, *Tarabot*, and GSP the broad complementary lines of the two project’s engagement with governors’ offices have been established. GSP will lead on governance, including coordination between the governor’s office and the Provincial Council, with the sub-provincial political entities, with private sector players, and with the ministries’ provincial directorates. GSP will lead the process of provincial strategic socio-economic planning and internal capacity development for improved governance and strategic planning. *Tarabot* will focus on capacity building in those areas most directly related to the National Development Plan, including areas that directly address improved budget execution such as procurement and project-level planning and management.
- **Political Affiliations.** It is important to note that this list includes a number of important ministries and provinces whose minister (or governor) is from the Sadrist political bloc, and others from the Iraqiya bloc that is currently “boycotting” the CoR and CoM. USAID-*Tarabot* manages to work equally well with ministries regardless of their current political affiliations and situations. Of special importance in this regard is USAID-*Tarabot's* close cooperation with two very important ministries regarding decentralization and capital investment, Planning and Municipalities & Public Works.
- **Assessments, Action Plans, and MoUs.** The process of carrying out assessments and developing action plans for each substantive type of assistance (procurement, project management, service centers, etc.) for each ministry and governor’s office will lead to establishing the estimated dollar value of each ministries’ and governorate’s program upon which can be based the MoU.

PROGRAM DETAILS

Provinces. USAID–*Tarabot* consolidated its activities in the provinces this month, receiving official letters requesting technical assistance from the governors’ offices of Karbala, Najaf, and Maysan; and completing needs assessments and action plans by the Procurement and Service Center teams in challenging Ninawa province. Introductory presentations were made to the MoLSA Directorate in Babil province, the province's Municipalities

Ministry, as well as the Governor's Office and Municipalities Directorate in Maysan province. In Maysan, the project partnered with the LG to establish a provincial Decentralization Committee to aid in delivery of decentralization activities within the province. The Project Management Unit presented project management plans for Maysan governorate, recommending training courses in MS Project, Feasibility Studies, Risk Management and Change Control, Earned Value, and PM Processes, and received requests for these courses from the Governorates of DhiQar, Muthanna, Najaf, and Babil. Office renovations for regional office space in Najaf and Diyala provinces were also completed.

Ministries

Municipalities & Public Works. At a meeting with the Minister of Municipalities and Public Works, the AD team presented USAID-*Tarabot's* services as well as a draft road map to decentralize the MoMPW prepared by the AD Ministries Team Leader, while the minister explained his own vision for the eventual dismantling of his ministry over the long term, providing the team with a copy of his own "100 Days" reform plan. The meeting concluded with the Minister endorsing USAID-*Tarabot*, and expressing interest in cooperating with the project in all aspects. This meeting was particularly noteworthy given the Minister's affiliations and Iraq's current political climate. Although the MoMPW had been cooperating with USAID-*Tarabot* prior to this, the AD team is confident the outcome of this week's meeting will consolidate the project's activities in this important ministry.

Higher Education. Following the completion of the MoHE's assessment process, the AD team met with the ministry's Inspector General (IG) to follow up on the progress of USAID-*Tarabot's* activities. The IG expressed his willingness to provide assistance in overcoming any the difficulties encountered in the project.

Construction & Housing. The Ministry of Construction and Housing (MoCH) this month agreed to provide USAID - *Tarabot* with designated office space, including an internet connection, a tremendous development demonstrating the ministry's dedication to its partnership with the project. The Senior Deputy Minister issued an approval to create a "work panel" through which USAID-*Tarabot's* work will be coordinated with the Ministry. The panel, consisting of three high level ministry officials, is expected to play an important role in facilitating the implementation of the project's assistance in the MoCH. USAID-*Tarabot* is currently working with the ministry complete assessments each AD component area.

Culture. The project also introduced its work to the Deputy Minister of Culture and the Minister's CoS in a meeting at the MoC's headquarters. The Deputy Minister welcomed the USAID-*Tarabot* team and is eager to begin working with the project, particularly in the fields of planning and prioritization. The ministry will form a committee to work with the project and establish a date in the coming weeks for a full presentation of the AD component's core areas of service. The MoC also noted that it is fully aware of the GoI's cost sharing mechanism and is ready to cooperate with the project in matching their contribution of core area services.

Tourism. USAID-*Tarabot* explained the concepts and objectives of the AD component in an introductory meeting with Minister of Tourism and the DG of Group Tourism. The Minister, with Sadrist affiliations, is open to collaborating with the project and assigned a DG to serve as the designated point of contact for USAID - *Tarabot's* work in the ministry.

Finance. At a meeting with the MoF, the AD team further negotiated cooperation with the Minister's senior advisor, following up on introductory meetings held earlier in the month with this important ministry, while at the

MoEd, the team met with the Director General of the Ministry's Finance Department to discuss the establishment of a committee responsible for coordinating USAID -*Tarabot's* work within the ministry.

Executive Offices

COMSEC. USAID-*Tarabot* senior leadership met with COMSEC's Secretary General and thirty five DGs from all of COMSEC's departments, to clarify the project's offerings of technical assistance over the next four years and address a number of the COMSEC representatives' questions. The meeting concluded with COMSEC agreeing to discuss the best ways to cooperate with USAID - *Tarabot* with a focus on two directorates: Planning and Citizen's Complaints.

Presidency. USAID-*Tarabot* leadership held an introductory meeting with the Presidency to present the areas where the project might be of assistance.

Core Technical Areas

Decentralization USAID-*Tarabot* hosted an introductory meeting with representatives of the MoMPW's Municipalities and Water Directorates and the Ministry of Labor and Social Affairs' (MoLSA) provincial directorate. Similar presentations were made to the MoMPW's provincial Directors General in Najaf and with representatives from the provincial government, while in Maysan, the team introduced its work to the MoMPW's Municipalities Directorate for the province, including the DG and the directorate's Manager of Legal Affairs. Maysan's first Deputy Governor established a committee to identify programs for USAID-*Tarabot's* assistance. Follow up meetings and needs assessments are planned in all provinces.

The Decentralization team outlined its objectives to eighteen officials (including the Qadhas and Nahyas) from the MoMPW's Municipalities Directorate in Babil, introducing the concepts of decentralization in a comprehensive introductory workshop. Needs assessment surveys were distributed and will be collected in the coming weeks. Also in Babil, the team began its needs assessment process in a meeting with the DG of the MoMPW's Water Directorate. The heads of the directorate's legal office and human resources also attended.

Site visits were made to the southern provinces, introducing the unit's work to officials in Muthanna, Basrah, and Maysan. The Governors' offices in Muthanna and Maysan welcomed the team and are currently scheduling meetings to discuss further progress in the coming weeks. In Basrah, the team presented several options and is currently awaiting the Governor's approval. An introductory meeting was held with officials from the Diyala Governor's office. Meeting with the governor's advisors and office manager, the Decentralization team presented its objectives and discussed ways to pursue opportunities for administrative decentralization within the governor's office.

Planning USAID-*Tarabot's* Planning unit introduced its needs assessment to eleven participants, including members of the provincial Planning Directorate and Ministerial Directorates, at a workshop hosted by the Deputy Governor for Administrative Affairs in Diyala province. During its presentation, the USAID-*Tarabot* team stressed the importance of establishing a coordination commission, to ensure consistency in all stages of the planning process. An introductory meeting was also held in Karbala province. In Babil, the Planning team completed its analytical report of the province's needs assessment, and held an introductory presentation for officials from Diyala Governorate.

The unit completed the analysis of its assessment of the MoMPW, using the data to develop an action plan for the unit's activities with the ministry for the coming term. The Unit also completed its assessment of the MoHR, working with the DG of Studies and Research, its main counterpart at this ministry. Data was collected and an analytical report of the Ministry's planning systems and capacity is currently being drafted.

Following the completion of the needs assessment and accompanying analytical report for the MoHE, the Planning unit finalized its action plan for the ministry. This plan includes extensive technical assistance to the ministry's projects planning and prioritization functions.

Continuing the unit's work on the Iraq National Monitoring System with the MoP, the head of the ministry's National Development Plan (NDP) Monitoring Unit confirmed that all data – a total of 130 indicators - has been assembled and is now awaiting entry. USAID–*Tarabot* has agreed to input the data as a means of testing the system and generating an adequate overall report on the NDP's progress.

Procurement The Procurement unit participated in USAID–*Tarabot's* introductory meeting with representatives of Salah ad Din governorate, and conducted a needs assessment for Ninawa province governorate office. This assessment will assist in determining the province's strengths and weaknesses in procurement, as well as in the design of an applicable action plan to further develop the province's procurement systems. The unit also completed its assessment and action plan for Ninawa Governorate and began delivering tailored technical assistance based on the findings of the assessment.

At a workshop with officials from Babil governorate, the team discussed the results of the governorate's needs assessment and presented the draft action plan to the contracting directorate. Assessments of Muthanna and Maysan were completed, and action plans presented to representatives in Babil and Diwaniyah Governorates. The unit facilitated a successful presentation of the procurement assessment and action plan to Babil province's Deputy Governors, Technical Assistants, and Contracts Director. Work on procurement assessments for Anbar and Diyala Governorates continues.

Following its completion, the assessment of the MoMPW was approved and signed by the Ministry's contracting director and a meeting to discuss the draft action plan is being scheduled. The MoMPW is one of the largest and most organizationally complex ministries under USAID-*Tarabot's* portfolio and the completion of a comprehensive procurement capacity assessment is a major achievement. The unit also completed a draft of the action plan for the MoHR to be presented to the ministry. The MoHE draft action plan for 2012 was presented to fourteen ministry counterparts, and the team met with the MoP's DG of Government Public Contracts and Policy to continue the dialogue on the ministries' activities to bolster the national system for procurement in Iraq, including the latest draft procurement regulation.

Fiscal Management The Fiscal Management unit held its fourth assessment meeting with staff from the MoMPW, and a third assessment meeting with the Deputy Director General of Sewage. The assessment process for this large and complex ministry has required a substantial amount of time, and the results are promising. The unit will develop a comprehensive work plan for the MoMPW in the coming weeks.

The unit also met with MoP officials for the first time in order to administer a short survey on articles 11 and 21 of the proposed 2012 Budget Law. This information will be analyzed and used to ascertain the best opportunities for administrative decentralization in the pending law. The assessment of the MoHE was finalized and a summary brief is being prepared on its findings to be discussed with ministry officials at a date to be set.

The Unit completed a draft white paper on opportunities for decentralization in the proposed 2012 Federal Budget Law this week. The paper is now undergoing peer review and revision ahead of its planned release at a conference scheduled for mid-January.

An introductory presentation on USAID – *Tarabot's* fiscal management survey was made to officials from the Diwaniyah Governorate. The data from this survey will allow the team to review the data and make recommendations on improving the fiscal management within the province. Short surveys on fiscal decentralization opportunities and capabilities were completed with Ninawa, Salah ad Din, and Najaf, and an introductory presentation made to officials from Diyala governorate.

Project Management The Project Management Unit completed its action plan for the MoMPW, one of the GoI's largest service providers, a huge accomplishment for USAID-*Tarabot*. The unit's assessment and action plan for the MoHE were enthusiastically received by the ministry's representatives, with work scheduled to begin early in the new year.

In the provinces, the team presented the final assessment report and action plan to officials in Babil. The initial assessment was completed in DhiQar and action plan for improving the province's organizational maturity level presented. The plan will assist local officials meet their project management targets. The unit also completed an initial assessment in Maysan and presented its plan to provincial authorities, recommending five training courses covering MS Project, Feasibility Studies, Risk and Change Control, Earned Value, and PM Processes. The primary assessment for Anbar Governorate began with the aim of determining the organizational maturity of the governorate in project management. Work continued on finalizing assessments and action plans for Diwaniyah, Muthanna, Najaf, and Ninawa. To assist in its implementation activities, the unit has drafted a manual containing many of the systems and procedures it intends to introduce to its counterpart organizations in the GoI.

Organizational Development (OD) The MoMD assigned one of the Minister's advisors to be the counterpart and Team Leader for the Ministry's internal OD team. This is a very positive step for USAID-*Tarabot* as the ministry's OD function will be highly visible as the project moves forward. The Unit presented its methodology of internal OD team formation within each counterpart GoI entity at a meeting with the Deputy HR Director of the MoMPW and the twenty two staff identified as potential candidates for the ministry's internal OD team. A follow up meetings has been scheduled in which the formation of the ministry's OD team will begin. The Unit also met with the MoHE's OD team to discuss the results of the OD needs assessment. These results will feed into the OD team's action plan.

During a second assessment meeting with the Deputy Governor of Diyala, the DG expressed his eagerness to launch the program as soon as is feasible and began assembling a team made up of representatives of the different areas of the governorate to be submitted to the Governor for final approval. The unit also participated in an introductory meeting with representatives of the Salah ad Din and, following an enthusiastic response, anticipates launching its program in the near future. Beginning its assessment in Najaf province, the OD team introduced its methodologies and is now working with provincial representatives to establish coordination teams for OD improvement. The team also initiated the first two steps of OD assistance in Anbar province, presenting the needs assessment questionnaire and conducting interviews with managers in the provincial Divan. A provincial OD coordination team is being established. The team also met with the Human Resources and Contracting and Tendering Directors in Babil to coordinate needs assessments and action plans.

Service Centers USAID–*Tarabot's* Service Centers unit participated in an introductory presentation for Salah ad Din governorate, presenting the vision, goals and objectives of the service centers improvement unit, and completed its assessment for Ninawa governorate. In Najaf, the team introduced the service center concept to representatives from the Governorate, discussing the formation of a coordination committee ahead of its first assessment meeting. The team also presented its work to the first Deputy Governor of Maysan province and four of his aides before visiting the building, currently under construction, which will house the province's service center. Introductory presentations were also made with the Deputy Governor (Technical Assistance) and the Director of Public Relations in DhiQar, the Basrah Governorate Council and the Governor of Babil, discussing USAID–*Tarabot's* work and the goals of the service centers unit. A committee will be formed in Babil to begin the first assessment in that province.

The Service Centers team visited MoLSA, presenting an introduction to its work to ministry officials including the DG of the National Center for Health and Safety, the DG and Head of IT of the Social Welfare unit, the Maintenance Manager of the Special Needs unit, the Coordination Manager of Labor and Vocational Training, and representatives from the ministry's Project Management Office. Needs assessment forms were distributed including questions for each service the ministry provides to Iraqi citizens. Participants showed great interest in USAID – *Tarabot's* work and agreed to begin the assessment process as soon as possible.

The team conducted its first assessment meeting with the MoMD, introducing the service center assessment tool. The ministry agreed to a subsequent meeting to complete the questionnaire. In the meantime, the ministry is also considering which of its services will be best suited to a service center setting. Meeting with the DG of Humanitarian Affairs at the MoHR, the team assessed the ministry's service suitability for conversion to a "One-Stop Shop" model. The unit began its initial assessment of the MoMPW, and followed up its assessment of the MoMD's IT Department, beginning its second assessment with the Deputy Director of Citizens' complaints. These assessments will feed into a comprehensive Service Centers action plan for the MoMD.

IDMS In collaboration with the MoP, USAID-*Tarabot* completed a number of IDMS site visits this month. Two day visits were made to each of the MoHR, Ministry of Water Resources, the Ministry of Tourism, MoENV, the Iraq Olympic Committee, the Securities Commission, the Ministry of Health, the Ministry of Trade (MoT), MoCH, MoO, and the MoEl. Installation of the offline version of IDMS was completed along with the provision of user names and passwords, and instruction to begin updating all 2011 projects, as well as entering data for all 2012 projects following the Iraqi Parliament's approval of the 2012 federal budget law.

In cooperation with the MoP, USAID-*Tarabot* completed an IDMS workshop for twenty officials from the MoP and MoMPW at the MoP's headquarters. Working with the MoP, USAID-*Tarabot* has now conducted IDMS workshops for 137 participants through a total of ten workshops and seven site visits.

The IDMS Unit team leader presented a comprehensive briefing on the system to COMSEC, emphasizing its importance in the face of the US\$32 billion dollar investment budget being proposed for 2012. Following the detailed explanation of the IDMS structure and capabilities, COMSEC asked for further assistance in its implementation.

USAID–*Tarabot* and the MoP completed a joint IDMS skills-building workshop for twenty GoI employees from the Ministry of Science and Technology, the Christian Endowment, and the Judicial Council. A second workshop was held with twenty representatives from the Ministry of Interior, Ministry of Industry, the IRSR, the Olympic

Committee, the Paralympic Committee, the MoP, and the MoEd, presenting instructions on usage of the IDMS system.

The team also introduced the IDMS system in a number of provinces this week, meeting with Deputy Governors in Muthanna, Maysan and Basrah. Muthanna and Maysan provinces both agreed to begin introducing the IDMS.

SSN USAID–*Tarabot*'s SSN team completed its deployment of the SSN system in Salah ad Din, spending three days in Tikrit enabling the system and connecting it to MoLSA's central server. The installation of the SSN's site servers for Ninawa, including work on the application and IT infrastructure, was also completed. The team also met with representatives of MoLSA to discuss the transfer of SSN servers from the provinces to Baghdad.

USAID-*Tarabot*, along with USAID, continues to negotiate the pending LOU to be signed by the Deputy Minister of Ministry of Labor and Social Affairs and USAID, formalizing the ongoing partnership to finalize the SSN.

PROJECT ADMINISTRATION

Staffing and Deployment The project has a staff of 26 expatriate and 171 local personnel as of December 31, 2011.

Security Company License Issue A key issue continuing through December is the expiration and delayed renewal of the operational licenses for USAID-*Tarabot*'s security provider, Sallyport. The GoI ceased to renew all licenses for Private Security Companies on or about November 1. Although the Ministry of Interior issued a letter authorizing Sallyport as the security company at its locations/compounds, they are not yet authorized to provide transportation. The full license renewal is now reported to have been signed-off on by the Ministry of Interior and to be sitting on the desk of the Prime Minister. Meanwhile Sallyport continues to subcontract the actual transportation of clients to several other companies.

Travel and Security Entry to the IZ continues to be strict and uncertain, causing many delays and occasional inability to attend scheduled meetings with USAID and with government clients located in the IZ. Trips from the compound into the IZ still usually take well over an hour. December saw additional security issues with the issuance of a "SEVERE heightened threat" of kidnapping for Americans. The end of the month brought a reduction of that threat, but also an enhanced threat of such a kidnapping in a certain neighborhood of the city. USAID and Embassy personnel continue to be restricted from travel outside the embassy compound. For the last half of the month, the project curtailed all but travel deemed to be "mission critical". Late in the month there was a complex series of attacks on a variety of targets throughout the city.

IZ presence The project has finalized arrangements for a villa in the IZ in order to facilitate regular contact between project advisors and their GOI executive office clients. This will especially serve the Civil Service Reform component and the National Policy Management component. It will also alleviate the problems caused by the tighter checkpoints at IZ entry routes. The project's ability to take possession of this villa was delayed by the unplanned extension of the previous project, but USAID-*Tarabot* should be in possession of a functioning villa by January 20.

Visas The Ministry of Interior issued new visa and entry procedures. These procedures allowed staff members to take their holiday leaves with some assurance of being able to return to Iraq following their break. The new arrangements are far from perfect, however. Upon arrival, an advisor with demonstrated proof of employment will be issued a visitor's permit valid for only 30 days. This permit can be extended twice for 10 days each time. Following these two extensions, the advisor must leave Iraq, and then return for another 30 day visitor's permit, with two extensions. Having all expatriate staff members leave the country every 50 days will increase costs, reduce

person days in country, and interrupt the flow of work. One USAID-*Tarabot* advisor was refused permission to return on this visitor's permit due to being a resident of India. The project is appealing that decision.

Compound housing The project is preparing a new villa to provide space for *Tarabot*'s new Ministry of Education program, and to provide much needed workshop/training/meeting space.

Regional and provincial offices USAID-*Tarabot* has received agreements and established office space in all 15 governorates, including the three regional offices and eleven provincial offices. 50 staff members are currently deployed at these offices.

Workplan and PMP The revisions to the Workplans and the PMP resulting from the agreements regarding the respective activities of the *Tarabot* and GSP projects have been completed.