



Administrative Decentralization Component Weekly Report (Jan. 2 to Jan. 7, 2013)

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On 31/12/2012, meetings were held at the Headquarters of Ministry of Health with the managers of: i) Department of Engineering Projects; ii) Strategic Planning Division; iii) Engineering Planning; iv) Financial Planning and Budgeting; and, v) Department of Strategic Policy. During this meeting the PFM team conducted a practical survey' where the PFM team walks through the MOH entire budget formulation and execution process. The PFM practical survey should lead to a standard operating procedures manual.
- On 7/1/2013, an introductory meeting was held at Mansour compound with the financial committee of the Ministry of Municipalities and Public Work (MMPW). During this meeting the PFM advisors presented the National and Sub National Objectives and action plan and went through the areas and elements that will be covered under any potential cooperation. A presentation dealing with Performance Program Budgeting and Medium Term Budget Framework was also provided.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing To Report (NTR)

Major Work in Progress: (Activities initiated)

- PFM have completed the developing of the Financial Project Appraisal manual, after internal review, the manual will be translated into Arabic (by end first quarter 2013).

Other accomplishments, successes, or notes:

- NTR



Administrative Decentralization Component **Weekly Report (Jan. 8 to Jan. 14, 2013)**

Person Reporting: Public Financial Management (PFM) Team

Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On 7/1/2013, a meeting was held with the Ministry of Municipalities and Public Work (MMPW) by PFM Team Michael Schaeffer (PFM Team Leader) and Miraq Aljubouri (PFM Advisor), with the MMPW officials: Mohammed Alsayed (Manager of Financial Department), Heam Khaleel (Manager of Auditing Department), Ahmed Sameer (Manager of Accounting Department), Hala Najim (Accounting Manager), and Muna Hussien (Senior Accounting Manager), at Tarabot offices in Mansour; Besem Abdullah, Dr. Saad Muhey; Miraq Aljubouri, and Michael Schaeffer represented Tarabot. During this meeting Tarabot's PFM advisors presented the National and Sub National Objectives and action plan and went through the areas and elements that will be covered and the potential cooperation with the MMPW. The PFM team introduced the concept of performance measurement linked to budget submissions. Of particular interest, was the introduction of linking the capital (investment) budget to the operational budget under a broader program objective or outcome. The PFM team illustrated how the MoMPPW could by end-2013 prepare a simple (indicate) program budget structure – linking elements of the current budget structure to draft program/subprogram structure. This appeared to the assembled steering committee team to be the most reasonable near-term Tarabot/MoMPPW deliverable. The PFM team has scheduled its hands-on' PFM survey with MMPW January 29th and 30th.
- On 8/1/2013 a meeting was held with the officials of the Ministry of Higher Education (MoHEd) including: Bushra Abdullah (Assistant Director of Authority), Abdulrazaq Allamy (Senior Auditor), Hatim Kareem Ashoor (Accounting Manager), Ameena Rasheed Jabir (Assistant Accounting Manager), Murtadha Abdulah Yass (Engineer).The meeting was held to explain the current PFM budget reform workplan including results based management (program budgeting) and developing a medium term budget framework. MoHEd agreed to work with Tarabot to develop and indicative program budget as a starting point for its technical assistance work.
- On 9/1/2013 a meeting was held with officials of Ministry of Industry and Minerals (MoIM) including: Hussein Ibraheem (Accounting Manager), Saad Qassim (Auditing Manager) , Maha Abdulkareem (Assistant Accounting Manager) .The advisory team provided a brief introductory presentation which included elements of program budget development and medium term budget frameworks. MoIM officials expressed enthusiasm for working on these public financial management reforms. The next steps for Tarabot include working with the ministry in understanding the



public financial management operations. As such, PFM advisors will walk through MoIMs budget formulation and execution functions with the hands-on survey to determine gaps in the public expenditure system.

- On 10/1/2013, a meeting was held with officials of the Ministry of Construction and Housing (MoCH) including: Hanaa Mohammed Sadik (Senior Accounting Manager), Mumtaz Mohamed (Senior Manager), Sami Hussein Hassan (Accounting Manager), Shrooq AlFareed (Director of Financial department), Maysaa Mkhalf Mahdi (Assistant Director of Auditing) and Mr. Miraq Abdulfattah Aljubouri (PFM Advisor). The PFM advisor provided a general overview of Tarabots program budget and MTBF work plan. Miraq Aljubouri also met with ministry officials to discuss questions related to PFM's hands-on analytical survey.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing To Report (NTR)

Major Work in Progress: (Activities initiated)

- The PFM team has completed the Performance Program Budgeting Manual (PB) and the Medium Term Budget Framework Manual. These manuals are currently being translated into Arabic with an estimated completion time for the translation – January 25, 2013.
- The PFM team has also completed and will submit for translation the Financial Project Appraisal manual. The translation is expected to take approximately one month.
- The PFM team has recently completed a brief gap/analysis review of the Budget Law and CPA 95. The PFM team submitted its recommendations for the development of an integrated Public Financial Management Law with point by point descriptions as to how to cure the gaps in the current legislative framework.
- During the past several weeks the PFM team developed a public expenditure management survey that utilized analytical questions and techniques generally applied by Public Expenditure Financial Assessment (PEFA), the OECD's public expenditure management guide; and the World Bank's PREM public financial management sector. The Tarabot PFM 'hands-on' survey was designed to a) probe the line ministries budget formulation and execution processes (legal, financial, budget formulation, audit, internal controls, etc); b) to determine the gaps with the public financial management process; and, c) to determine where and how public financial management improvements could more readily be applied. The PFM advisory unit has developed a matrix to best present the current public financial management environment for 10 ministries.

Other accomplishments, successes, or notes:

- NTR



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Administrative Decentralization Component **Weekly Report (Jan. 16 to Jan. 22, 2013)**

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On 15/1/2013, meetings were held at the Headquarters of Ministry of Industry and Minerals with the deputy DG of planning directorate (Haifaa Majeed). During this meeting the PFM team initiated a practical hands-on survey where the PFM team walks through MoIM's entire budget formulation and execution process. As previously reported, Tarabot 'hands-on' survey was designed to a) probe the line ministries budget formulation and execution processes (legal, financial, budget formulation, audit, internal controls, etc); b) to determine the gaps with the public financial management process; and, c) to determine where and how public financial management improvements could more readily be applied. The PFM advisory unit has developed a matrix to best present the current public financial management environment for 10 ministries. The PFM practical survey should lead to a standard operating procedures manual.
- On 16/1/2013, an introductory meeting was held at the Ministry of Tourism with the DG of Financial and Administrative Affairs (Nassir Ghanim Murad), engineering Department / Minister's office (Ishraq Khaleel Abdulsatar), IT/Minister's office (Waleed Bana), accounting department manager (Hussien Ali Hassan), and the manager of payroll (Sedky Baqer Radhy). During this meeting the PFM advisors presented the National and Sub National Objectives and action plan and discussed the areas and elements that will be covered under any potential cooperation.
- On 17/1/2013, an introductory meeting was held at the Mansour compound with the Ministry of communications with the Senior Accountant (Nameer Nasir Rasheed), Senior Accounting Manager (Joa'ther Shaker Sadik), and Accounting Manager (Younis Yousif Nasir). The PFM Advisory team prepared a brief presentation for their ministerial counterparts, where they presented areas of PFMs National and Sub National Objectives and action plan.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing To Report (NTR)

Major Work in Progress: (Activities initiated)



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- PFM is preparing a number of 2-day line ministry workshops scheduled for February. These mini training workshops should include the following non-exclusive list: performance measurement identification, improving costing formulation, and improving cash flow management.
- PFM's program budget and medium term budget framework manuals are currently still in the process of being translated. The PFM Project Appraisal manual is being contracted by competitive bid for translation.

Other accomplishments, successes, or notes:

- NTR



Administrative Decentralization Component Weekly Report (Jan. 23 to Jan. 29, 2013)

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On 27/1/2013, a one day workshop was held at Mansour compound with the financial committee of the Ministry of Health. During this meeting the PFM advisors presented the a snapshot presentation dealing with Performance Program Budgeting and Medium Term Budget Framework, and the differences between line item budgeting, zero based budgeting and the program budgeting as preparing session for the next two days workshop in February.
- On 28/1/2013, a regular meeting was held at the HQ of the Ministry of Construction and Housing MOCH in Baghdad with the budgeting Senior Manger. During this meeting the PFM advisor, Tarabot MG2 advisor and the budgeting manager agreed on the job titles of the nominees of MOCH for the next workshop that will be done in February (Program Budgeting and Medium Term Budgeting), the list of participants will be updated with the new names to cover the experience required for the workshop. The coordination will be done through the Tarabot MG2 advisor – MOCH.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- On 21/1/2013, meetings were held at the Iraqi ports authority / Ministry of Transportation, in their Basrah HQ, with the manager of researches and development department, Manager of Auditing department, Deputy manager of finance department (O&M), Deputy manager of planning and follow up (capital investments budget). During these meetings the PFM advisors presented the National and Sub National Objectives and action plan and went through the areas and elements that will be covered under any potential cooperation. Also PFM advisors conducted a practical survey where the PFM team walks through the Iraqi ports authority entire budget formulation and execution process. The PFM practical survey should lead to a standard operating procedures manual.

Major Work in Progress: (Activities initiated)

- Nothing to Report (NTR)

Other accomplishments, successes, or notes:

- NTR



Administrative Decentralization Component **Weekly Report (Jan. 30 to Feb. 5, 2013)**

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

On January 29, 30, and 31, 2013, PFM advisors in coordination with Ministry Group 2 (MG2) conducted a practical (hands-on) survey in the Ministry of Municipalities and Public Work (MMPW). The hands-on survey is an extensive list of questions derived from the Public Expenditure Financial Assessment (PEFA), the OECD public financial management review, and the World Bank's (PREM) practical survey. PFM advisors interviewed the heads and staff of the various departments of the Ministry of Municipalities and Public Works including, but not limited to: Finance, Accounting, Budgeting, Planning and Follow up, and general operations in the directorates of (Water, Sewerage, Municipalities, Planning and Follow Up, Urban Planning, Ministry HQ, and Auditing Directorate). The PFM advisor assessed the processes of budget formulation and execution in both capital investment budget and O&M Budget. A technical report is being prepared (in conjunction with the 7 other surveyed ministries) by PFM unit. A draft will be prepared and submitted shortly for review.

However, among the preliminary conclusions is the fact that infrastructure ministries are primarily organized along broad functional lines (i.e. Water, Sewerage, Municipalities, etc.). For the establishment of a results based management structure, the current functional structure will make it less onerous to develop draft program subprogram structures. Of particular interest is that the capital investment budget for the various sectors (water, sewerage, etc) does extend over several years. As such, the basic structure of a medium term budget framework can also be developed. Areas that need further consideration include linking future capital (balance sheet) assets, with future operating budgets. PFM will with MMPW in developing its medium term budget framework over the course of 2013.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing to Report (NTR)

Major Work in Progress: (Activities initiated)

- PFM advisors have developed course (curriculum) material for a series of two-day workshops to be presented (to the following non-exclusive list MMPW, MOCH, MoH, etc). The presentation material includes rules as to how a medium term budget framework can be developed. Further, basic concepts for results based management systems have been included in the course curriculum. At present it is envisaged that six 2-day work-shops take place during February and early March 2013.



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Other accomplishments, successes, or notes:

- NTR



Administrative Decentralization Component Weekly Report (Feb. 6 to Feb. 29, 2013)

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On 10/2/2013, a one day training workshop was held at the MOIM HQ compound with the financial committee of the MOIM. During this meeting the PFM advisors presented a short presentation dealing with Performance Program Budgeting and Medium Term Budget Framework underlying the differences between line item budgeting, zero based budgeting and program budgeting, and the challenges towards developing a medium term budget framework. This brief workshop was a preparation for a follow-up more extensive two day workshop in mid-February.
- On 11 & 12/2/2013, a two days specialized workshop in Mansour compound for the MOMPW, the participants of the ministry (23 participants) were of different specialties (Accountants, Auditors, Budgeters, Planners, ...) also from all of the DG of the ministry (Planning and Follow Up, Water, Sewerage, Urban Planning, and Municipalities). During this workshop, PFM advisors explained the technicality of program budgeting and medium term budget framework. The agreement was that PFM advisors will work closely with the counterparts' team of MOMPW to produce programs and performance indicators for the establishment of a medium term budget framework under a broad program structure.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing to Report (NTR)

Major Work in Progress: (Activities initiated)

- The PFM unit will engage in 6 ministry two-day workshops over the February / March period.

Other accomplishments, successes, or notes:

- NTR



Administrative Decentralization Component Weekly Report (Feb. 13 to Feb. 19, 2013)

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On 13 & 14/2/2013, a two-day specialized workshop was conducted in Mansour compound for the MOH, the participants of the ministry (6 participants) were of different specialties (Accountants, Auditors, and, Budgeters). During this workshop, PFM advisors explained the technicality of program budgeting and medium term budget framework. MOH and Tarabot PFM advisors agreed to work closely with the counterparts' team of MOH to produce programs and performance indicators for the establishment of a medium term budget framework under a broad program structure.
- On 17/2/2013, a one-day presentation was held at the MOTr HQ compound with the financial staff of MOTr HQ and its affiliated entities. During this meeting the PFM advisors presented a short presentation dealing with Performance Program Budgeting and Medium Term Budget Framework underlying the differences between line item budgeting, zero based budgeting and program budgeting, and the challenges towards developing a medium term budget framework. This brief workshop was in preparation for a follow-up more extensive two day workshop in mid-February.
- On 18 & 19/2/2013, a two-day specialized workshop was conducted in Mansour compound for the MOIM, the participants of the ministry (9 participants) were of different specialties (Accountants, Auditors, and, Budgeters). During this workshop, PFM advisors explained the technicality of program budgeting and medium term budget framework. MOIM and the PFM advisors agreed to work closely with the ministry counterparts' team to produce programs and performance indicators for the establishment of a medium term budget framework under a broad program structure.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing to Report (NTR)

Major Work in Progress: (Activities initiated)

- The PFM unit will engage in 6 ministry two-day workshops over the February / March period.

Other accomplishments, successes, or notes:

- NTR



Administrative Decentralization Component Weekly Report (Feb. 20 to Feb. 26, 2013)

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On 20 & 21/2/2013, a two-day specialized workshop was conducted in Mansour compound for the MOTr, the participants of the ministry (35 participants) were of different specialties (Accountants, Auditors, and, Budgeters). During this workshop, PFM advisors explained the technicality of program budgeting and medium term budget framework. MoTr and Tarabot PFM advisors agreed to work closely with the counterparts' team of MoTr to produce programs and performance indicators for the establishment of a medium term budget framework under a broad program structure.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing to Report (NTR)

Major Work in Progress: (Activities initiated)

- The PFM unit will engage in 7 ministry two-day workshops over the February / March period.

Other accomplishments, successes, or notes:

- NTR



Administrative Decentralization Component Weekly Report (Mar.6 to Mar. 12, 2013)

Person Reporting: Public Financial Management (PFM) Team
Core Area Unit or Ministry Team: Fiscal Management Core Area

Ministry Accomplishments (Baghdad):

- On March 11 and 12th, 2013 PFM started a specialized two-day workshop concentrating on the basics of “Medium Term Budget Framework (MTBF) and results based management using Program Performance Budgeting (PBB)” at Tarabot Office for the Ministry of Communications (MoC). MoC sent twenty seven (27) participants from various ministerial departments including but not limited to: Accountants, Auditors, Budget, Audit, and Inspector General. During this workshop, PFM advisors explained the basic nature of program budgeting and medium term budgeting.

Provincial Accomplishments (Governors Offices and Provincial Directorate Generals (DGs):

- Nothing to Report (NTR)

Major Work in Progress: (Activities initiated)

- NTR

Other accomplishments, successes, or notes:

- NTR

Public Financial Management Reform Team (PFM)

A. Ongoing Review of Iraq's Public Financial Management Legislation

As part of its on-going technical assistance work, the Public Management (PFM) Reform Team continues to review the current Iraqi budget and public financial management legislation (Budget Laws and CPA 95). This draft working paper reviews international public financial legislation and presents a gap analysis. The draft is expected to be completed by end-April

B. Review and Revising the Arabic Translation of “Introducing a Performance Perspective in Budgetary Management – A Road Map”

One of the objectives of budget policy reform is to support the introduction of results based management (RBM), as a management tool throughout the government sector. This brief report, the PFM Roadmap, was recently translated into Arabic. The Roadmap provides an overview of how the introduction of program budgeting in Iraq could be structured over the next several years. Public Financial Management Reform Team advisors are currently reviewing the Arabic translation and comparing to the English Language version. The PFM Roadmap (English/Arabic) will be submitted in April 2013 to COMSEC (Council of Ministers Secretariate) for their consideration.

A. “Cash versus Accrual Basis Accounting: Relevance for Iraq” Working Paper was Finalized (and, is being translated into Arabic)

This working paper on “Cash versus Accrual Basis Accounting” describes the nature of the various accounting arrangements; examines the features that support or impede accounting reforms; and suggest criteria for evaluating proposed accounting reforms. This recently completed working paper was submitted for translation. PFM expects that they will submit this to COMSEC for their review by end April 2013.

B. Preparation for Program Budgeting 2-Day Workshops

As part of its ongoing technical assistance program, PFM started preparations for a second-level of program budgeting (medium term budget framework training). The training modality will provide stepped up training in program budgeting, budget coding with respect to programs (sub-programs, activities, etc.) and costing of programs. At the end of this session, participants should have a better idea as to how to link current organizational structures (and current budget funding) to a proposed program budget structure.

Public Financial Management Reform Team (PFM)

A. Preparation for Program Budgeting 2-Day Workshops

As part of its ongoing technical assistance program, PFM started preparations for a second-level of program budgeting (medium term budget framework training). This training module will provide increasingly more hands-on assistance in program performance budgeting and costing of programs. At the end of this session, participants should be able to link current organizational structures (and current budget funding) to a proposed program budget structure. PFM will provide a workshop to Ministry of Municipalities and Public Works (MoMPW) on April 8th and 9th, 2013.

B. Ongoing Review of Iraq's Public Financial Management Legislation

The Public Management (PFM) Reform Team continues to review the current Iraqi budget and public financial management legislation (Budget Laws and CPA 95). This proposed working paper (currently in draft phase) reviews international public financial legislation and presents a gap analysis. The draft is expected to be completed by end-April

C. “Introducing a Performance Perspective in Budgetary Management – A Road Map”

The PFM Roadmap provides an overview of how the introduction of program budgeting in Iraq could be structured over the next several years. Public Financial Management Reform Team advisors are completing their review of the Arabic translation and comparing it to the English language version. The Roadmap (English/Arabic) will be submitted in April 2013 to COMSEC (Council of Ministers Secretariate) for their consideration.

Public Financial Management Reform Team (PFM)

A. Preparation for Program Budgeting 2-Day Workshops

On April 8th and 9th, 2013 the Public Financial Management (PFM) reform team conducted a specialized two-day intermediate level workshop with the Ministry of Municipalities and Public Works (MMPW) at Tarabot (HQ). This workshop was the third in a series of projected workshops to assist the ministry in developing a medium term budget framework (MTBF) under “high-level” program structures.

This workshop focused on advancing the concepts of results based management including the concepts of performance measurements, outputs and outcomes, program measures and targets, and accounting and budget codes. The key output of this workshop, is the linkage of the ministries organizational structure under designated programs. Once the ministries organizational structure is mapped to individual programs, the next step is to refine the investment and operational budgets. The workshop was structured as a hands-on case study training approach as the PFM team used group exercises for each of the lectures provided to the seventeen (17) participants.

B. Arabic: “Introducing a Performance Perspective in Budgetary Management – A Road Map”

Public Financial Management Reform Team advisors completed their review of the Arabic translation and comparing it to the English language version. The Roadmap (English/Arabic) will be submitted in April 2013 to COMSEC (Council of Ministers Secretariate) for their consideration.

C. Informal Meeting with Mr. ObiedMahalFreih the Head of the “High Committee of Financial Management and Public Budget Reform

An informal meeting was held at the request of Mr. ObiedMahalFreih (Head of the High Committee of the Financial Management and Public Reform) with Mr. ArazYounus (Lead Advisor PFM) on April 8th, 2013. Mr. Obied asked for clarification with respect to Tarabot’s Public Financial Management Reform Team’s performance targets’ and proposed timing. Mr. ArazYounus provided general guidance and suggested that a more detailed follow-through discussion be held with senior Tarabot Management.