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ADMINISTRATIVE REFORM PROJECT

MONTHLY PROGRESS REPORT

SEPTEMBER 2011

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Iraq Administrative Reform Project



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Acronyms

AD	Administrative Decentralization Component
COM	Council of Ministers
COMSEC	Council of Ministers' Secretariat
COP	Chief of Party
COR	Council of Representatives
COTR	Contracting Officers Technical Representative
CSI	Civil Service Institute
CSO	Civil Service Organization
CSR	Civil Service Reform Component
DFID	Department for International Development
DG	Director General
DOD	Department of Defense
DPMO	Deputy Prime Minister's Office
FCSC	Federal Civil Service Commission
FY	Fiscal Year (Oct. 1 to Sep. 30)
Gol	Government of Iraq
HC	High Committee for Civil Service Reform
HQ	Head Quarters
HR	Human Resources
HRD	Human Resources Development
HRMIS	Human Resources Management Information System
IDMS	Iraqi Development Management System
IR	Intermediate Result
ISO	International Organization of Standardization
IZ	International Zone
LGP	Local Government Project
M&E	Monitoring and Evaluation
MoE	Ministry of Electricity
MoEd	Ministry of Education
MoF	Ministry of Finance
MoH	Ministry of Health
MoHR	Ministry of Human Rights
MoJ	Ministry of Justice
MoLSA	Ministry of Labor & Social Affairs
MOMD	Ministry of Migrants and Displaced
MoO	Ministry of Oil
MSI	Management Systems International
NPM	National Policy Management Component
PMAC	Prime Minister's Advisory Council
PMO	Prime Minister's Office
PSC	Private Security Company
PSM	Public Sector Modernization Committee
RG	Regulatory Guillotine™
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	World Bank

This report summarizes project activities and accomplishments under the Iraq Administrative Reform Project (USAID/Tarabot¹) for the period September 1- 30, 2011. The next Monthly Report for October is due on November 2, 2011.

Summary

Following Ramadan and the Eid-al-Fitr, the USAID/Tarabot project rapidly pushed forward in September, introducing the project objectives to a large number of ministries, governor's offices, and other agencies, and in reaching agreements with many government entities regarding issues, such as cost sharing principles and mechanisms, available Tarabot services, and office space arrangements for Tarabot's "embedded" staff members. USAID/Tarabot's National Public Management Program managed a very successful two-week whirlwind tour of key stakeholders of the public and private stakeholders regarding the implementation of the regulatory reform approach known as the Regulatory Guillotine™. This initial set of meetings has immediately established regulatory reform as a flagship program for the Tarabot Project and for USAID.

Civil Service Reform

The USAID/Tarabot program works directly under the guidance of COMSEC's High Committee (HC) for Civil Service Reform and Human Resource Development. During September this committee (which includes the Tarabot Senior Civil Service Advisor/Team Leader) resumed its regular meetings.

Legislation. The first priority of the HC is to complete the revisions to the draft Civil Service Reform bill so that it can be submitted for action to the Council of Representatives. To expedite this, the HC agreed to meet twice a week instead of its usual weekly meetings. The revisions include those that bring the proposed civil service law in full harmony with the already enacted Federal Civil Service Commission Law, other changes resulting from the broad stakeholder review, and language that would establish a Senior Executive Service (SES). It is understood that within the Public Sector Modernization Committee's program, UNDP will take the lead in developing the SES. However the HC insists on moving forward on schedule with drafting the enabling language as part of the Civil Service Law. The assumption is that the draft law will be reviewed by the UNDP-supported SES program.

Civil Service Commission. Much of the progress of USAID/Tarabot's assistance depends on the de facto establishment of the Federal Civil Service Commission through the appointment of the Commissioners. In discussions with the government this month it appears that these long-stalled appointments are currently being discussed and moved forward. These appointments will also pave the way for establishing the Civil Service Institute and the Provincial Civil Service Commissions, in addition to developing the federal commission itself.

Human Resources Management. Another continuing priority of the HC is the restructuring and strengthening of human resources management in every ministry, province, and other agencies. USAID/Tarabot Civil Service Component staff are developing workshop materials in support of the next several rounds of national HRD workshops for ministries and for governorates. In addition to reaching all ministries and provinces through periodic large workshops, the HC has approved the expansion of the HRD "pilot" ministries from five to ten, plus three pilot provinces/governors' offices. USAID/Tarabot is renewing its earlier contacts with the pilot ministries, beginning with the Ministry of Agriculture.

Human Resources Management Information System (HRMIS). The USAID/Tarabot Civil Service team met with the Government of Iraq's HRMIS Committee where the DG for HR in the Ministry of Defense provided a

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

detailed presentation of its experience with the HRMIS system installed there with the assistance of the US government (DOD). This government committee has decided to replicate and adapt this system nationwide. The government has decided that the HRMIS committee will now function as a sub-committee of the High Committee of the HC, and that the Tarabot Senior Civil Service Advisor will sit with that sub-committee. The government, at the highest levels, is committed to the establishment of this national HRMIS, and is expecting technical assistance in this regard from USAID/Tarabot.

National Policy Management

Regulatory Reform. The major focus of activities and progress during September was in the critical area of regulatory reform. USAID/Tarabot's senior consultant in regulatory reform, Mr. Scott Jacobs arrived for his first assignment with the purpose of introducing the Regulatory "GuillotineTM" approach, developed by Mr. Jacobs and other during over a decade's work in the topic.

During his two-week visit, he and the National Policy Development Team introduced methodology to all of the key stakeholders including the GOI Executive Offices, the Council of Ministers, the Council of Representatives, high officials from key line ministries and from governors' offices, private sector and academic institutions, as well as USAID, US Embassy, and other donors. Mr. Jacobs has successfully introduced this method of systematically eliminating outdated laws and regulations in a number of countries such as Ukraine, Egypt, Romania, and Vietnam where as many as 50% of the existing business unfriendly regulations were eliminated yielding significant savings to the national economies.

The response on the part of the Government of Iraq to the Regulatory "GuillotineTM"² was overwhelmingly positive. One highlight of the many meetings was the meeting with representatives of the private sector, who offered to assist in the program by serving of the non-governmental review committee. Equally important, the Prime Minister sponsored a conference, hosted by Al-Nahrain University, for the leading economic ministries' deputy ministers to become fully informed and engaged in the process. In addition to building support among the full range of stakeholders, the meetings led to important decisions regarding the institutional location of the Regulatory Guillotine program, the commitment of the Economic Committee of the Council of Representatives and the Minister of State for Parliamentary Affairs to consider the reform recommendations as part of an omnibus law rather than individually.

By this point, there is widespread agreement that Iraq will move forward with this approach to regulatory reform and that it will have a positive and noticeable impact on the Iraqi economy.

Policy Development. USAID /Tarabot also progressed with its plans to assist the Prime Minister's Office establish an Office of Policy Development. The PMO has agreed that the Policy Development Office will be in the Prime Minister's Office and will utilize the expertise residing in the Prime Minister's Advisory Council to provide the required expertise. The PMO and USAID are well along on mutually-approved drafts of a Memorandum of Understanding.

A critically important element of the proposed Policy Development Office will be its broad consultative approach that will include:

- **Academic Community.** The USAID/Tarabot National Policy Development Team delivered a day-long workshop on policy development systems at Al-Nahrain University that they will be better able of assist in future policy development activities. The university is also now planning to introduce a permanent program in public policy.

² One challenge of introducing regulatory reform mechanism is to devise an Arabic/Iraqi brand to replace the term "guillotine". Other countries have each come up with a locally acceptable phrase.

- **Ministries and Provinces.** USAID/Tarabot held discussions with key ministries and governorates regarding establishing there on policy development units, in order to contribute to the national process of policy development.
- **Executive Offices.** The Tarabot advisors have also reached out to the Office of the Deputy Prime Minister for Services (**DPMO-S**) to discuss how they would contribute to the policy development process and support the regulatory reform process. The Tarabot advisors also met with **Presidency Diwan** where the Chief of Staff agreed to himself participate in the Policy Workshop at Al-Nahrain University and to integrate professors from the university into the work of the Presidency Diwan's existing Bureau of Public Policy that was established with USAID's assistance and by government decree in 2010.
- **Legislature.** A meeting with the Economic Investment Committee of the Council of Representatives aroused interest in establishing a policy office in the CoR to liaise with the new Office of Public Policy of the executive branch.
- **Private Sector.** The National Policy Management team's Senior Advisor for women's issues met with the Iraqi Business Women's Association to alert them to the possibilities of their enhanced participation in both the future policy development process and the regulatory reform mechanism.

Donor Coordination. USAID and the USAID/Tarabot project leadership met with the World Bank and the UK Department for International Development to discuss areas of complementarity and coordination. It was agreed that DFID will continue with its support of a policy implementation coordination unit within COMSEC, and that this function of policy coordination was appropriately located in COMSEC whereas the policy development function is appropriately located with the Prime Minister's Office. The World Bank representative saluted the introduction of the Regulatory "Guillotine™" method and views this as fully complementary to the Bank's program on improving Iraq's "Doing Business" indicators.

Administrative Decentralization

Menus of Assistance and Assessment Tools: The USAID/Tarabot Administrative Decentralization team took great care to finalize and standardize the "menus of service" for each of the component's core areas. These menus, for fields including procurement, project management, and service delivery improvement, contain concise summations of the capabilities of the Tarabot teams in an easy-to-read format for presentation to ministers, governors, and other GoI officials. This innovative approach has been very well received by the various ministry and governors' offices officials.

Concurrent to the numerous high-level ministry and governors' offices visits, USAID/Tarabot's AD core area teams designed comprehensive assessment tools for their respective fields. These tools will give the AD advisors a solid foundation and steer their work with GoI counterparts for the coming years. The assessment tools are in the form of questionnaires, and represent the next step for developing and undertaking their corresponding programs of technical assistance. Assessment tools have developed for procurement, project management, fiscal management, service centers, and organizational development.

Engaging Partner Ministries: The USAID/Tarabot Administrative Decentralization team has begun the formal process of introducing the project to key ministries through presenting the menus of services and planning initial programs of assistance. The AD team has held introductory or full-fledged presentation meetings with the following nine ministries: Planning, Finance, Labor & Social Affairs, Municipalities & Public Works, Education, Environment, Justice, Human Rights, and Culture. The response from ministry leadership has been enthusiastic for assistance on the various programs offered by Tarabot, and so far no ministry has expressed aversion to cost-sharing. Ministry officials have agreed with the principles while also expressing keen interest in the mechanism set up by the GoI to undertake cost-sharing.

Engaging Governors' Offices: During the month of September, Tarabot teams held a total of 37 meetings at governors' offices in 14 provinces. In nine out of the eleven provinces intended to have Tarabot provincial-size offices and in two out of the three provinces slated to serve as Tarabot Regional Hub Offices, either the governors or provincial directors general have formally agreed to house Tarabot staff in their offices, providing the office space and other resources free of charge.

Executive Offices: The Tarabot Administrative Decentralization team made formal presentations of its program to both the Council of Ministries Secretariat (COMSEC) and to the Prime Minister's Advisory Council (PMAC). Tarabot is providing assistance to COMSEC in the utilization of the Iraq Development Management System for their quarterly reporting on national capital investments progress. With PMAC, Tarabot and PMAC reached agreements on the process of determining the programs of support to the ministries and the provinces. Both COMSEC and PMAC fully support the menu of services offered by Tarabot in support of furthering administrative decentralization.

Cost-Sharing: To date, four key partner ministries (MoLSA, MoP, MoHR, and MoMD) have provided office space for Tarabot's embedded advisors.

The AD team continues to work to establish formal agreements covering scope of work, assistance, and cost-share activities with all GoI partner entities. The final agreements regarding the services to be provided for each ministry will be a product of several factors including the priorities of the Government of Iraq regarding important services improvements, and the resources available among all parties. These decisions will be memorialized with formal Letters of Understanding between USAID and the participating Iraqi ministries, offices, or agencies. These agreements spell out the cost sharing responsibilities of both parties. Most of the services presented on the Tarabot "menus" are dedicated to enhancing provincial level and citizen level service delivery.

Social Safety Net: Technical work on the rollout of automation of the Social Safety Net service centers in the provinces is proceeding. At the end of this month, the SSN team managed to issue the payment distribution report for beneficiaries of the SSN system in Baghdad. The report contains information about the number of beneficiaries, the value of the allocated benefits, and their distribution through the SSN's three sites in Baghdad – Sadr City, Rusafa, and Karkh.

A draft Letter of Understanding for USAID/Tarabot's continued assistance to support the Ministry of Labor and Social Affairs continued rollout the Social Safety Net has been reviewed and approved by both sides, and a signing ceremony at the USAID offices in the Embassy compound is planned.

Staffing: In the month of September, USAID/Tarabot's AD component hired over 25 CCN staff, with additional hires pending review and approval. The AD component now has representation in each region of Iraq. An additional two expatriate advisors were brought on to the team this month, and newspaper ads were taken out in major regional papers in efforts to find highly-qualified, Arabic-speaking advisors for the few remaining expatriate vacancies. The component is expecting to be fully staffed with 123 CCN staff and a full contingent of expatriate advisors by the end of the coming quarter.

Administration

Workplanning and Monitoring. USAID/Tarabot submitted the drafts of its Year 1 Workplan and the Performance Management Plan to USAID.

Staffing and Deployment. Twenty-three (23) expatriates are now deployed and in residence on the compound. To date, a critical mass of over 100 local staff have signed contracts and reported for work. Recruitment and deployment are well under way to fill the remaining expatriate and local hire positions.

Facilities. Housing and office facilities are all functioning, following a series of refurbishments and realignments in line with the requirements of this project. USAID/Tarabot has also established a facility in the IZ to allow advisors to spend several nights a week there and avoid some of the current uncertainties of the checkpoints into the IZ. This allows much closer work with key partners such as the Prime Minister's Office, the High Committee for Civil Service Reform, and the Council of Minister's Secretariat. This capacity is especially important for the implementation of the Regulatory Reform program and Civil Service Reform.

Security. The checkpoints into (and even out of) the IZ are currently instituting a policy of thorough searches for PSC vehicles. Trips to meetings in the IZ now regularly take between 60 and 90 minutes. Frequently the trips are blocked entirely, causing the last minute cancellation of important meetings with USAID and/or high Government of Iraq officials.