United Nations Development Programme

United Nations Development Programme
Country: Iraq
Project Document

Project Title	Support for Private Sector Development in Iraq
UNDAF Outcome(s):	Priority #2: Inclusive, more equitable and sustainable economic growth
Expected CP Outcome(s): *(Those linked to the project and extracted from the CPAP)*	5. Enabling policy and frameworks for rapid economic recovery, inclusive and diversified growth and private sector development
Expected Output(s): *(Those that will result from the project and extracted from the CPAP)*	Output 1: Establishment and Implementation of Private Sector Development Strategy of Iraq Output 2: Formulation of a manpower development strategic plan with Ministry of Oil (MoO) Output 3: Capacity built for Iraqi companies to implement CSR and inclusive business model and establishment of an autonomous 'Iraqi CSR Centre'
Implementing Partner:	United Nations Development Programme Iraq
Responsible Parties:	United Nations Development Programme Iraq

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Brief Description

This proposed project is built upon the successful implementation of the multi-agency programme of Private Sector Development Programme for Iraq (PSDP-I) in 2009 to 2012 (see attached PSDP-I Steering Committee presentation). The objectives of this project are 1) to support Government of Iraq (GoI) establishing the enabling, predictable, easy business environment for the Private Sector development of Iraq, through endorsement of the Private Sector Development Strategy of Iraq and its implementation, 2) to provide preparatory technical assistance to the Ministry of Oil (MoO) for the formulation of a manpower development plan develop skilled labors in the oil sector as well as 3) to continuously support the Private Sector in Iraq to be engaged in the development through corporate social responsibility through UN Global Compact Local network and establishment of CSR (Corporate Social Responsibility) Centre. The Concept Note of this project together with the final report of PSDP-I and the Steering Committee presentation are attached for the background information.
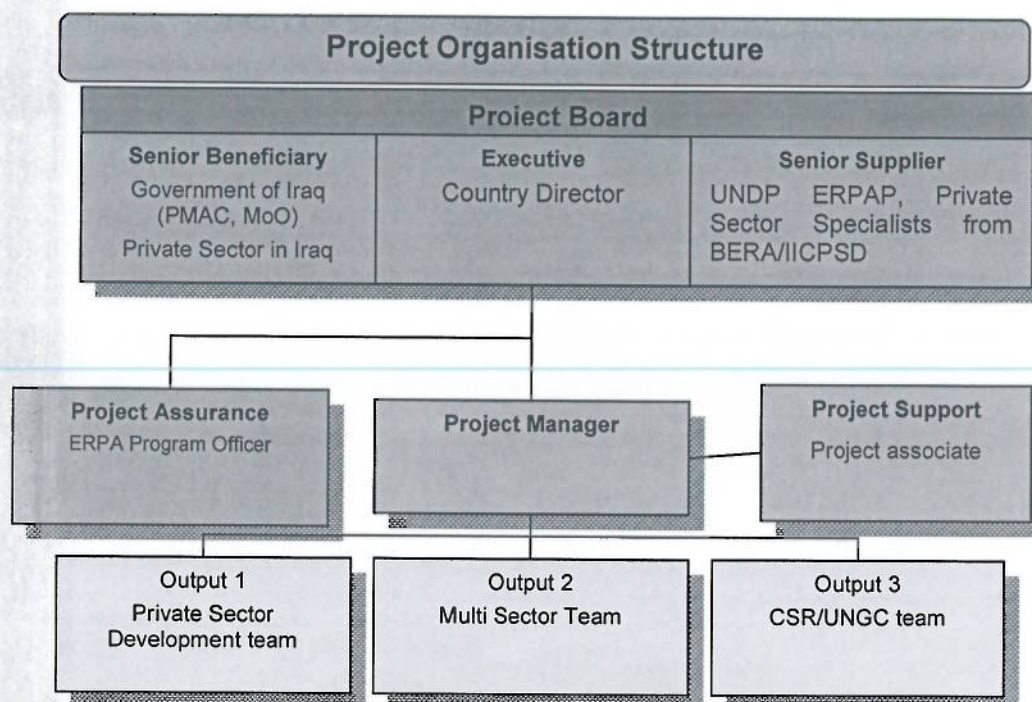

Programme Period:	6 months	2013 AWP budget:	US$ 450,000
		Total allocated resources for the project:	
Key Result Area (Strategic Plan):	Restoring the		US$450,000
foundations for development		• Regular	_TRAC__
Atlas Award ID:		• Other:	
		o Donor	
Start date:	1 July, 2013	Unfunded budget:	
End Date	31 December, 2013	In-kind Contributions	
PAC Meeting Date			
Management Arrangements	____DIM____		

Agreed by UNDP: *Adam M Abdeh L*

I. Annual Work Plan (Please refer to the attached AWP sheet for the breakdown of the planned budget)

Year: 2013

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
And baseline, associated indicators and annual targets	List activity results and associated actions	Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (USD)
Output 1 Private Sector Development Strategy of Iraq endorsed by both GoI and private sector through a participatory process and implementation steps in place	**Activity result:** Private Sector Development Strategy of Iraq (PSDS) established and its associated action plans initiated								
	- Activity action 1: Facilitate the consultation process among the GoI, the Private Sector and the international community (including wide range of female stakeholders) to endorse the PSDS, which was drafted as a result of PSDP-I multi agency program funded by Trust Fund from 2009 to 2012;			X	X			International consultant	
Baseline: No PS Strategy endorsed by GOI (a draft is available but not endorsed)								Travel	
Indicators:								Contractual Services	
Number of inclusive consultations to refine the PSDS;	- Activity action 2: Support the establishment of Private Sector Council (PSC) based on gender inclusiveness criteria to implement the PSDS starting from priority areas and provide the monitoring function;			X	X	UNDP Iraq	TRAC	Grants	150,000
PSD strategy endorsed; PSD implementing governmental body assigned;	- Activity action 3: Support the establishment of SME agency by providing necessary capacity building;				X			Miscellaneous	
Targets: PSDS endorsed through wide consultative mechanism ensuring inclusive and fair representation based on gender, geographic areas, sectors, typology of enterprises criteria	- Activity action 4: Provide follow up supports to PSDP-I downstream activities if required, including support to the Micro Financial Institutions and to downstream implementing partners.			X	X			Common premise contribution	

Output 2

Manpower Development Strategic Plan with MoO formulated

	Activity result: A manpower development strategic plan formulated through the technical assistance to MoO					UNDP Iraq	TRAC	International consultant Travel	150,000
Output 2 Manpower Development Strategic Plan with MoO formulated									
Baseline: No Manpower development strategic plan at MoO									
Indicators:									
Scope of a comprehensive TA package defined for manpower development strategic plan									
Manpower development strategy in line with objective of the INESTA (Integrated National Energy Strategy)									
Join Programme between MoO and UNDP	– Activity action 1: Assist the establishment of the Partnership Steering Committee (PSC) and prepare a draft work plan to address the objectives.	X							
Targets:	– Activity action 2: Provide initial technical assistance to MoO in order to define the scope of a comprehensive Technical Assistance Package for the formulation of a manpower development strategic plan that will address gaps in skills and capacities of MoO.	X	X						
Scope of a comprehensive TA package defined and endorsed	– Activity action 3: Provide supplementary technical assistance to the MoO in order to prepare the proposed manpower, knowledge, and technology development strategic plan, in consideration of gender issue, taking into account (1) cost estimations related to the plan; (2) utilization of potential sources of funding, including those funds allocated via obligations of IOCs that are serving as Contractors to the MoO; (3) development of a model to prioritize allocation of identified funds to be utilized in an optimal manner over time; and (4) advice on the establishment of a necessary management and quality assurance system.	X	X						
Manpower development strategic plan established									
A joint programme between MoO and UNDP for the following 3-5 years developed	– Activity action 4: Develop a joint programme between MoO and UNDP for the following 3-5 years which will identify, to the appropriate level of detail, the analysis and interventions required to arrive at the purpose identified in Article I of the present MOU, based on the discussions with PSC and work done for the above 3 points, and based the interest of the Government of Iraq and availability of resources.	X	X						

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Output 3	Activity result: UNGC Iraq Network structure strengthened and capacity built for Iraqi companies to implement CSR and inclusive business model, particularly through the establishment of an autonomous 'Iraqi CSR Centre'		UNDP Iraq	TRAC	
Capacity built for Iraqi companies to implement CSR and inclusive business models based mainly on UNGC principles such as human and labour rights, environment, anti-corruption and women economic empowerment, and establishment of an autonomous 'Iraqi CSR Centre' as operational centre for such activities	− Activity Action 1: Support the establishment and strengthening of the governance bodies of the UNGC Iraq Network (Secretariat, Steering Committee, Representative and Focal points) through finalization of Steering committee Terms of reference and holding transparent elections for new Representative and SC members, to be elected based on principles of gender and geographic inclusiveness.	X	X		Personnel costs for UNDP CSR/UNGC team 150,000

Travel expenses for Iraqi delegates and team to participate to meetings and training activities |
Baseline: UNGC Iraq Network launched with 90 members; No Iraq CSR centre existing	− Activity action 2: Provide support and training to at least 30 Iraqi companies to adopt, implement and report on CSR principles and projects and facilitate participation of Iraqi companies in regional and global training meetings on CSR / UNGC	X	X		Meetings facilitation costs (venue, material preparation/printing, etc.)
Indicators: - number of Iraqi organisations active members of UNGC - Formal registration of the Iraqi CSR centre	− Activity action 3: Facilitate administrative procedures for the registration of the Iraqi CSR centre as legal entity according to national law and support the CSR centre to become the operational basis for the activities of the UNGC Network, in particular for the promotion of CSR practices in the UNGC areas of environment, human rights, women economic empowerment	X	X		Communication tools (printing material, website, etc...)
Target: 30 companies engaged in CSR capacity development programme; Iraqi CSR Centre established					
TOTAL					450,000

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II.   MANAGEMENT ARRANGEMENTS

Project Organisation Structure		
Project Board		
Senior Beneficiary Government of Iraq (PMAC, MoO) Private Sector in Iraq	**Executive** Country Director	**Senior Supplier** UNDP ERPAP, Private Sector Specialists from BERA/IICPSD

Project Assurance ERPA Program Officer	**Project Manager**	**Project Support** Project associate

Output 1 Private Sector Development team	Output 2 Multi Sector Team	Output 3 CSR/UNGC team

The Project Board is the group responsible for making by consensus management decisions for the project when guidance is required by the Project Manager, including recommendations for approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, Project Board decisions will be made in accordance to standards to ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decision rests with the UNDP Project Manager.

Project reviews by this group will be made at designated decision points during the implementing the project, or as necessary when raised by the Project Manager. This group will be consulted by the Project Manager for decisions when PM tolerances (normally in terms of time and budget) have been exceeded.

Based on the approved annual work plan (AWP), the Project Board may review and approve specific activities when required and authorize any major deviation from the approved AWP. It will ensure that required resources are committed and will arbitrate on any conflicts within the project or negotiate a solution to any problems between the project and external bodies. In addition, it will approve the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

Composition and organization: This group contains the following roles, including:

1) **Executive**:

The Country Director is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role will be to ensure that the project is focused throughout its life cycle on achieving the stated objectives and delivering outputs that will contribute to higher level outcomes. The Executive will ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of Iraqi stakeholders and UNDP.

Specific Responsibilities

- ➢ Monitor and control the progress of the project at a strategic level
- ➢ Ensure that risks are being tracked and mitigated as effectively as possible
- ➢ Brief Outcome Board and relevant stakeholders about project progress
- ➢ Organise and chair Project Board meetings

2) **Senior Supplier**:

UNDP ERPAP is the Senior Supplier. The Senior Supplier's primary function within the Board will be to provide guidance regarding the technical feasibility of the project. The inputs from Private Sector Specialists from BERA and /or Istanbul International Center for Private Sector in Development will be sought when appropriate.

Specific Responsibilities (as part of the above responsibilities for the Project Board)
- ➢ Ensure progress towards the outputs remains consistent from the supplier perspective
- ➢ Promote and maintain focus on the expected project outputs from the point of view of supplier management
- ➢ Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes
- ➢ Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts

The supplier assurance role responsibilities will be to:
- ➢ Advise on the selection of strategy, design and methods to carry out project activities
- ➢ Ensure that any standards defined for the project are met and used to good effect
- ➢ Monitor potential changes and their impact on the quality of deliverables from a supplier perspective
- ➢ Monitor any risks in the implementation aspects of the project

3) **Senior Beneficiary**: Taskforce for Economic Reforms under Prime Minister's Advisory Commission, Ministry of Oil as well as the Iraqi Private Sector

Specific Responsibilities
- ➢ Ensure the expected outputs and related activities of the project are well defined
- ➢ Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- ➢ Promote and maintain focus on the expected project outputs
- ➢ Prioritise and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes
- ➢ Resolve priority conflicts

The assurance responsibilities of the Senior Beneficiary will be to check that:
- ➢ Specification of the Beneficiary's needs is accurate, complete and unambiguous
- ➢ Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target
- ➢ Impact of potential changes is evaluated from the beneficiary point of view
- ➢ Risks to the beneficiaries are frequently monitored

4) **Project Manager**: The Project Manager will have the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project Manager will be responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility will be to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

Specific responsibilities:

Overall project management:

- Manage the realization of project outputs through activities;
- Provide direction and guidance to project team(s)/ responsible parties;
- Liaise with the Project Board or its appointed Project Assurance roles to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- May also perform Team Manager and Project Support roles;

5) **Project Assurance:** The designated ERPAP Programme Officer will support the Project Board by carrying out objective and independent project oversight and monitoring functions. The ERPAP Programme Officer is independent of the Project Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager.

The following list includes the key aspects that will be checked by the ERPAP Programme Officer throughout the project as part of ensuring that it remains relevant, follows the approved plans and continues to meet the planned targets with quality.

- Maintenance of thorough liaison throughout the project between the members of the Project Board.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Project Justification
- Projects fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The project remains viable
- The scope of the project is not "creeping upwards" unnoticed
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to RMG monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- Project Board's decisions are followed and revisions are managed in line with the required procedures

Specific responsibilities will include:

Implementing the project:

- Ensure that funds are made available to the project;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical project information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that CDRs are prepared and submitted to the Project Board and Outcome Board;
- Perform oversight activities, such as periodic monitoring visits and "spot checks".
- Ensure that the Project Data Quality Dashboard remains "green"

Closing a project

- Ensure that the project is operationally closed in Atlas;
- Ensure that all financial transactions are in Atlas based on final accounting of expenditures;
- Ensure that project accounts are closed and status set in Atlas accordingly.

MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

1. Quarterly Reports
2. Regular updating of the issues and risk log
3. Enclosure of a project lesson-learned

<u>Within the annual cycle</u>

> On a quarterly basis, a quality assessment records progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.

> An Issue Log is activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change. ERPA monthly project progress reports capture the issues on a more frequent basis.

> Based on the initial risk analysis submitted, a risk log is activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation. ERPA monthly project progress reports capture the issues on a more frequent basis.

> A project Lesson-learned log is activated and regularly updated to ensure on-going learning and adaptation within the organization, which is captured within the ERPA monthly project progress reports, and to facilitate the preparation of the Lessons-learned Report at the end of the project

> a Monitoring Schedule Plan is activated in Atlas and updated to track key management actions/events, but the ERPA monthly project progress reports captures such actions on a more frequent basis.

<u>Annually</u>

> **Annual Review Report**. An Annual Review Report (Final Report), shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

Quality Management for Project Activity Results

Replicate the table for each activity result of the AWP to provide information on monitoring actions based on quality criteria. To be completed during the process "Defining a Project" if the information is available. This table shall be further refined during the process "Initiating a Project".

OUTPUT 1: Establishment and Implementation of Private Sector Development Strategy of Iraq		
Activity Result 1 **(Atlas Activity ID)**	Private Sector Development Strategy of Iraq established and its associated action plans initiated	Start Date: 1 July, 2013 End Date: 31 Dec, 2013
Purpose	Establishment of the enabling, predictable, easy business environment for the Private Sector development of Iraq	
Description	Facilitate the consultation process among the GoI, the private sector to finalize the PSDS of Iraq and support the establishment of Private Sector Council (or the entity to be in charge) to implement the PSDS	
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. What method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
PSD Strategy of Iraq available	PSD Strategy of Iraq endorsed by the Task Force for Economic Reform and the Private Sector	31 Dec, 2013
PSC or any single entity assigned for implementing PSD Strategy	PSC or any single entity officially assigned	31 Dec, 2013

OUTPUT 2: Formulation of a manpower development strategic plan with MoO		
Activity Result 2 **(Atlas Activity ID)**	A manpower development strategic plan formulated through the technical assistance to MoO.	Start Date: 1 July, 2013 End Date: 31 Dec, 2013
Purpose	To raise the productivity and competitive standards of the oil industry	
Description	As agreed in the MoU with MoO, provide the technical assistance to MoO to formulate a manpower development strategic plan	
Quality Criteria *how/with what indicators the quality of the activity result will be measured?*	**Quality Method** *Means of verification. What method will be used to determine if quality criteria has been met?*	**Date of Assessment** *When will the assessment of quality be performed?*
Partnership Steering Committee	Partnership Steering Committee established	31 Dec, 2013
A manpower development strategic plan	A manpower development strategic plan established through technical assistance to MoO	31 Dec, 2013
Joint programme between MoO and UNDP for the following 3-5 years	Joint programme developed	31 Dec, 2013

OUTPUT 3: Capacity built for Iraqi companies to implement CSR and inclusive business model and establishment of an autonomous 'Iraqi CSR Centre'		
Activity Result 3 **(Atlas Activity ID)**	Capacity built for Iraqi companies to implement CSR and inclusive business model and establishment of an autonomous 'Iraqi CSR Centre'	Start Date: 1 July, 2013 End Date: Dec. 2013
Purpose	To enhance the role of Iraqi private sector as development actor and partner by building its knowledge and capacity to implement corporate social responsibility projects, particularly through the establishment of a national CSR centre.	

Description	This activity will build on previous efforts initiated by UNDP to introduce CSR in Iraq as a as a factor for positive change, in particular through the launch of the UN Global Compact (GC) Iraq Network (October 2011). The Network grew to include more than 90 members after only one year, becoming an increasingly recognized platform for Iraqi companies committed to raise their business standards and contribute to the economic, social and human development of the country. Further efforts are needed however to enhance the capacity of the members to translate commitment into action.

Quality Criteria	Quality Method	Date of Assessment
how/with what indicators the quality of the activity result will be measured?	*Means of verification. What method will be used to determine if quality criteria has been met?*	*When will the assessment of quality be performed?*
Increased knowledge of Iraqi business organisations about CSR principles adoption and implementation	Means of verification will include: - number of organisations joining the UNGC in Iraq - governance structure of the UNGC Iraq Network in place (regular meetings of the Steering Committee conducted) - number of sustainability reports (Communication on Progress - COP) submitted by Iraqi companies to report on their CSR implementation	31 Dec, 2013
Establishment of the Iraqi CSR centre	- Registration of the Iraq CSR centre as formal legal entity - Bylaw of the CSR centre available and funding mechanisms identified	31 Dec, 2013

III. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed viahttp://www.un.org/Docs/sc/committees/1267/1267ListEng.htm.This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

ANNEXES

RISK LOG

Project Title: Support for Private Sector Development in Iraq				Award ID:		Date: June 2013		
#	Description	Date Identified	Type	Impact and Probability	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
1	Endorsement of PSDS can take longer due to the inclusive and participatory approach as well as possible prolonged legislative process within the GoI	15 June, 2013	Political/ Operational	Could affect the delay of private sector development in Iraq as well as better business environment. P = 2 / I =2	Continuous follow up with the consultation meetings with GoI and the Private Sector with clear milestones	Project Manager	Project Manager	15 June, 2013	
2	Due to complicated functions among relevant government authorities, establishment or assignment of a single entity in charge of PSDS implementation may create prolonged internal discussions	15 June, 2013	Political/ Organizatio nal	Could affect the project implementation schedule as well as the overall PSDS implementation P=2 / I=2	Continuous engagement in the senior GoI officials during the strategy formulation process to keep them aware of the importance of implementation of the strategy	Project Manager	Project Manager	15 June, 2013	
3	Security situation in Iraq preventing movements / meetings with the private sector (training on CSR adoption, implementation and reporting; meetings of the SC of UNGC Network)	15 June, 2013	Operational	Could affect the project implementation schedule P= 4 / I= 4	Increase virtual technological platforms usage for holding meetings / training online. Recruitment and training of a local project officer to facilitate contacts on the ground	Project Manager	Project Manager	15 June, 2013	
4	Delays in legal and bureaucratic procedures required to register the CSR Centre	15 June, 2013	Substantial /Operation al	Could cause delays in registering the CSR centre as autonomous legal entity P= 2 / I=4	The CSR/UNGC team is following up with Government focal points to facilitate the registration process; legal advisors also identified among UNGC Network members to provide support on legal matters	Project Manager	Project Manager	15 June, 2013	

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