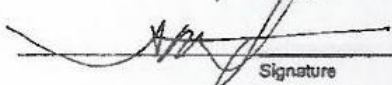
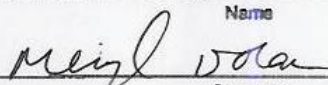
 U.S. Department of State <b>AMENDMENT TO</b> <b>FEDERAL ASSISTANCE AWARD</b>		1. <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Voluntary Contribution <input type="checkbox"/> Cooperative Agreement																									
		2. Award Amendment Number <b>S-NEAIR-08-GR-123-03</b>																									
		3. Recipient Federal Tax I.D./DUNS Number																									
4. Description of Amendment This no-cost extension extends the award's end date from December 31, 2012 to September 30, 2013 to allow UNDP to implement the work outlined in the incorporated Statement of Work.  All other terms and conditions remain the same. <input checked="" type="checkbox"/> Continued on attached sheet(s)		6. Issued By/Effective Date U.S. Department of State																									
5. Accounting and Appropriation Data  1911481096.0001-1014-1014841507-144900-6130-2589-06700		7. Recipient Name Address and Contact Information UNDP																									
8. Purpose of Amendment (Check appropriate block(s))																											
<input checked="" type="checkbox"/> Extend work completion time to <b>09/30/2013</b>																											
<input type="checkbox"/> Revised cost as follows:		Total Cost Prior	Add + \$																								
U.S. Share of Cost			Deduct - \$																								
Recipient's Share of Cost			Revised Total																								
Total Cost																											
9. Statutory Authority		10. Amendment - (Check all that apply)																									
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11. Recipient Name, Title and Signature <u>Sudipto Mukherjee</u> Peter Barchelor Name  Signature Country Director, UNDP Iraq <u>28/03/13</u> Title      Date (mm-dd-yyyy)		12. Grants Officer Name, Title and Signature <u>Meryl Dolan for Darcy Ostrander-Damon</u> Name  Signature Grants Officer <u>03-29-2013</u> Title      Date (mm-dd-yyyy)																									
13 Recipient By signing this agreement, the recipient assures that it will comply with the terms and conditions of this award. Recipient is required to sign and return this document within 10 business days of the signature of the Grants Officer to the following address:																											

DS-1909-A  
12-2008

## ATTACHMENT 1

1. **AWARD NUMBER:** S-NEAIR-08-GR-123
2. **PERIOD OF PERFORMANCE:** The period of performance end date is extended from December 31, 2012 to September 30, 2013.
3. **GRANTS OFFICER REPRESENTATIVE:** The Grants Officer Representative (GOR) is responsible for the programmatic and technical aspects of this award. Any correspondence related to programmatic and technical issues should be directed to:

Barbara Bootes  
U.S. Embassy Baghdad  
Phone: 240-553-0581 ext. 3420  
Email: [BootesBA@state.gov](mailto:BootesBA@state.gov)

4. **BRANDING AND MARKING STRATEGY:** As a condition of receipt of this assistance award, all materials produced pursuant to the award, including training materials, materials for recipients or materials to communicate or promote with foreign audiences a program, event, project, or some other activity under this agreement, including but not limited to invitations to events, press materials, event backdrops, podium signs, etc. must be marked appropriately with the standard U.S. flag in a size and prominence equal to (or greater than) any other logo or identity. Sub-recipients and subsequent tier sub-award agreements are subject to the marking requirements and the Recipient shall include a provision in the sub-recipient agreement indicating that the standard, rectangular U.S. flag is a requirement. In the event the Recipient does not comply with the marking requirements as established in the approved assistance agreement, the Grants Officer Representative and the Grants Officer must initiate corrective action.

In the event that any public communications are produced, funded by the Department of State, in which the content has not been approved by the Grants Officer, the communication must contain the following disclaimer: “This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Department of State. The contents are the responsibility of UNDP and do not necessarily reflect the views of the Department of State or the United States Government.”

**5. DETAILED BUDGET FOR NO-COST EXTENSION PERIOD**

<b>Budget Activity</b>	<b>Budget (Q1-3 2013)</b>	<b>Notes</b>
Personnel	\$95,000	\$81,000: International staff (Project Manager) at 40% time dedicated to project \$14,000: Local staff (Project Associate) at 50% of time dedicated to project
Travel	\$116,000	The expected travel will be carried out by the established committee to review the budget preparation and financial management systems outside of Iraq. All travel must be in accordance with the USG Federal Travel Regulations.
Program Activities		Totals \$686,000 (contractual services, international and local consultants)
Contractual Services	\$358,000	
International Consultant	\$144,000	
Local Consultant	\$184,000	
Translation and Printing	-	
Security	\$17,000	
General Management Services (7%)	\$58,000	
<b>TOTAL</b>	<b>\$972,000</b>	

## 6. STATEMENT OF WORK:

### Project Context:

UNDP has entered into a Country Programme with the Government of Iraq (GOI). Outcome 3 of the program is: Strengthened regulatory frameworks, institutions and processes in place for accountable, transparent and participatory governance at national and local levels.

This no-cost extension will contribute to Outcome 3 and will also:

- Support Iraqi compliance with the UNCAC combating corruption at the governorate level.
- Respond to the GOI formal request to UNDP for support to assess the current preparation procedures of the National Budget and the Financial System with focus on transparency and accountability.
- Serve as the first phase of an assistance program that will be followed by the implementation of a capacity development program that includes all ministries at all levels in the government through the Council of Ministers. Phase II, which is not being funded by this grant, will develop financial management, national budget and accountancy systems in a transparent, accountable manner in accordance to international standards, the UNCAC and Ministerial Order 88/2012.

This project will *contribute* to the project **goal** listed below.

This project will be *accountable* for achieving the **project objective** listed below.

The project will *report against* the **performance indicators** listed below to measure progress towards achieving the project objectives. Each indicator will include a definition, baseline, target and data source as part of the SOW.

<b>PROJECT GOAL</b>	
Strengthened regulatory frameworks, institutions and processes in place for accountable, transparent and participatory governance at national and local levels.	
<b>Project Objective:</b> GOI is prepared to reform their national budget development processes and financial management procedures into transparent and accountable systems in line with UNCAC.	<b>1. Indicator:</b> Number of different systems for transparent national budget preparation and financial management procedures reviewed by the GOI.  <b>Definition:</b> The GOI has established the Higher Committee for the Development of National Budget and Financial Management who have the mandate to lead reform of the national budget development process and financial management procedures. The indicator results will be used as a foundation

	<p>in the selection of appropriate systems in reforming the preparation of the national budget and financial management procedures.</p> <p><b>Target:</b> 4 different systems for transparent national budget preparation and financial management procedures reviewed. (September 2013)</p> <p><b>Baseline:</b> GOI has used the current system of national budget preparation and financial management for decades without transparency taken into account and they have not done a formal review of any transparent systems. (March 2013)</p> <p><b>Data Source:</b> The Higher Committee reports of meetings.</p> <p><b>2. Indicator:</b> Percentage and number of procedures within the current national budget process defined and analyzed in relation to UNCAC fundamental principles to promote transparency in the management of public finance including: a) procedures for adoption of the national budget, b) timely reporting on revenue and expenditure, c) a system of accounting and auditing standards and related oversight, d) effective and efficient systems of risk management and internal controls and e) corrective action if failure to comply.</p> <p><b>Definition:</b> The GOI has established the Higher Committee for the Development of National Budget and Financial Management who have the mandate to lead reform of the national budget development process and financial management procedures. The indicator results will serve as the baseline of the reform process and financial management procedures.</p> <p><b>Target:</b> 80% of the 8 defined national budget procedures analyzed in relation to UNCAC fundamental principles to promote transparency in the management of public finance including a) procedures for adoption of the national budget, b) timely reporting on revenue and expenditure, c) a system of accounting and auditing standards and related oversight, d) effective and efficient systems of risk management and internal controls</p>
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	<p>and e) corrective action if failure to comply. (September 2013)</p> <p><b>Baseline:</b> 0% of national budget procedures analyzed in relation to UNCAC (March 2013)</p> <p><b>Data Source:</b> Report on the present national budget process with UNCAC analysis incorporated.</p>
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### Activities

The major activities the project will carry out to reach this objective are listed below. Activities which are public events are indicated. Public events are significant project activities to which the general public and/or USG officials are invited.

Activity	Completion date	Public event
<p>1. A review of the process and methodology used in developing the present national budget conducted.</p> <p>1.1 Establish an Expert Group consisting of the High Committee for the Development of National Budget and Financial Management and UNDP then provide a debrief on obligations as a States Party to the UNCAC on Chapter 2 and additional relevant sections.</p> <p>1.2 Technical expertise acquired to develop and agree on methodology, framework and how the review will be conducted with expert group in line with the Ministerial Order 88/2012.</p> <p>1.3 The review of the current processes and methodology is conducted and information collected from respective ministries.</p> <p>1.4 The legal framework is reviewed including CPA Order 95 and the information is reviewed and support provided in the development of a report of findings during 3<sup>rd</sup> Quarter.</p>	06/30/2013	No
<p>2. Current system of accounting, audit and standards of financial management assessed.</p> <p>2.1 The current system of accounting, auditing and financial management is reviewed by the expert group.</p> <p>2.2 Discussions are held with the Board of Supreme Audit and the Ministry of Finance on the current system of audit and financial management and lessons learned highlighted.</p> <p>2.3 A series of working sessions are held and discussions open on ways forward to improve transparency and accountability within the expert group.</p>	09/30/2013	No

Activity	Completion date	Public event
<p>3. Transparent and accountable methods and preparation of national budgets by other countries reviewed and methodology examined. Lessons learned and best methodologies for Iraq shortlisted.</p> <p>3.1 Identify countries with systems that could be suitable for Iraq to adopt and have an open dialogue and field visit.</p> <p>3.2 Review preparation of national budgets and examine other countries methodologies and practices.</p> <p>3.3 Exchange conducted in which the methods and preparation of national budget in those countries is reviewed and lessons learned are identified.</p>	09/30/2013	No
<p>4. Transparent and accountable methods that are more suitable to Iraq with administrative focus (regional and governorates) in accordance to the Iraqi Constitution identified and selected.</p> <p>4.1 Best methodologies and system identified for Iraq in liaison and discussion with Council of Ministers, and reasons provided to the ministries of why shortlisted with a focus on administrative and decentralization in line with the Iraqi Constitution and the UNCAC Chapter 2 Article 9 as defined in MO 88/2012.</p>	09/30/2013	No
<p>5. Corrective action in the case of failure to comply with requirements assessed with gaps in the preparation of the national budget and financial management identified and ways forward proposed.</p> <p>5.1 The framework developed and the pilot review has a parallel system which identifies what corrective action may be required and capacity gaps which serves as pivotal components in the Committee Plan which is identified in MO 88/2012.</p> <p>5.2 Higher Committee for the Development of National Budget and Financial Management will identify a draft structure of corrective action to comply with the gaps identified in the assessment to increase transparency and accountability.</p>	09/30/2013	No
<p>6. Phase I reform for the financial management and accountancy systems identified with financial obligations and jurisdictions of the ministries, institutions, governorates and region in relation to Ministerial Order 88/2012 coordinated and directed by the Higher Committee for the Development of National Budget and Financial Management.</p> <p>6.1 Design and text for the draft plan on methodologies and ways forward supported within the Higher Committee for the Development of the National Budget and Financial Management, including design for a comprehensive capacity development</p>	09/30/2013	No

Activity	Completion date	Public event
program as Phase II.		

### Quarterly and Final Reporting Schedule

Reporting Period	Quarterly Report Submission Date
January 01 – March 31	April 30
April 01 – June 30	July 31
July 01 – September 30	October 31
Final Reports Reporting Period	Final Report Submission Date
September 25, 2008 – September 30, 2013	December 31, 2013

### Project Key Personnel

Name: Emad Alemamie

Title: Programme Manager Anti-Corruption United Nations Development Programme

Email and telephone: [emad.alemamie@undp.org](mailto:emad.alemamie@undp.org)

Telephone: + 9626 560 8378

Mobile: + 962 797 204 196

### Pre-approvals

- All international travel, including exchanges and study tours/trips (excluding a trip to each of the following countries: US, New Zealand, UK, UAE, and South Africa) must be approved in advance by the GO and the GOR.
- All other pre-approvals required in previous amendments to this grant remain in force.

All other terms and conditions remain the same.