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# USAID-FUNDED IRAQ GOVERNANCE AND PERFORMANCE ACCOUNTABILITY (IGPA/TAKAMUL) PROJECT

## TASK ORDER 003 UNDER CLIN 5

FINAL REPORT FOR SUB-TASK 2

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# ACRONYMS

CIO	Chief Information Officer
DPM	Deputy Prime Minister
KRG	Kurdistan Regional Government
PFM	Public Financial Management
SOW	Scope of Work

# CRITICAL ACHIEVEMENTS

## Objective of Sub-Task Two

Sub-task 2 of Task Order 3 under the USAID-funded Iraq Governance and Performance Accountability (IGPA)/Takamul project provided senior advisory support, through a Chief Information Officer (CIO), to the Kurdistan Regional Government (KRG) to spearhead the implementation of reforms in the area of public financial management (PFM) systems, processes, and technology, thereby helping to improve the government's efficiency and effectiveness. The CIO worked to reinforce the link between policymakers and electronically accessible public services to improve service delivery. These efforts included interventions to help reduce the proportion of total KRG expenditures devoted to personal emoluments and to support preparations for right-sizing the KRG civil service.

Throughout Sub-task 2, the CIO provided critical support to the KRG in drafting an Action Plan for key reforms related to payroll, e-payments, and e-services. In addition, the CIO responded to ad-hoc requests for support from the KRG, including providing technical assistance to a mentorship program for the Deputy Prime Minister's (DPM) Reform Team.

## Critical Achievements

- Drafted Action Plan which sets out a roadmap for critical KRG reforms in payroll, e-payment, and e-services, and circulated the Action Plan within the KRG for comments.
- Completed high-level designs for extending biometric registration from KRG beneficiaries to the general citizenry.
- Supported a mentorship program for the DPM Reform Team by developing a project rationale and business case for the program and creating innovative approaches to assist with reform efforts and the transfer of service delivery to Kurdish stakeholders.
- Prepared a draft budget for phases two and three of the payroll and governance project based on staffing levels, communications, and other operating costs under previous KRG administration. It is probable that this draft budget will be adopted by the new KRG administration.

# IMPLEMENTATION STATUS

## Activity Status Overview

***1. Development of a methodology to describe the consultant's suggested approach to KRG reforms, including key issues, development strategy for applications/tools, high-level features of proposed work packages for the KRG, and a high-level approach to the management and operational structure for the KRG reforms.***

**Result:** The CIO prepared the delivery methodology for implementing KRG reforms related to payroll management, ePayments and eServices. The methodology consisted of:

1. An application development and rollout strategy that described the proposed software development related to policy and operational outcomes;
2. The work breakdown structure with the overall requirements divided into discrete functional, technical and integration components will work together to implement the KRG reforms
3. An initial package of the various components of work needed for the systems development such as development standards, tools and processes; data structure and migration; processes to avoid duplication; data maintenance; data correction; research and development
4. A management and organizational structure that delineated roles and responsibilities for the design authority consisting of the KRG IT Department, KRG Council of Ministers leadership team and the CIO

***2. The action plan will be a detailed implementation plan that aligns with KRG priorities to increase the efficiency of public expenditure management in the areas related to improving public financial management and service delivery for each of the fifteen processes and technical interventions identified.***

***This action plan will include:***

- ***Project Plans, dependencies, milestones, and target delivery dates***
- ***Risks/issues, mitigation plans, and contingencies***
- ***A catalogue of scopes of work (SOW) that support delivery of the Plan (both for Technical Assistance and goods/services) along with a procurement strategy that includes methods, plans, and timelines***
- ***A monitoring and evaluation (M&E) framework for the engagement, and supporting SOWs***
- ***A list of recommended interventions for technical assistance by USAID.***

**Results:** An Action Plan was developed and circulated within the KRG for comments. The final Action Plan includes detailed SOWs grouped into functional and technical themes. SOWs also include procurement methods and outline costs and timelines. These include a detailed terms of reference for data modelling and e-payment strategy and legislative review. The Action Plan also provides recommendations for USAID to continue support to the KRG reform efforts, also summarized in the Recommendations section of this report. In addition, the Action Plan includes project plans, dependencies, milestones, and target delivery dates and addresses risks/issues, mitigation plans, and contingencies. The CIO also suggested a monitoring and evaluation framework for the engagement and support of SOWs, as well a list of recommended interventions for technical assistance by USAID.

As part of the Action Plan, the CIO completed high-level designs for extending biometric registration from KRG beneficiaries to the general citizenry. Once the process is developed, the KRG is planning to use it to pilot the registration of 40,000 individuals who claim to be taxi-drivers. Currently, there is no license-based controls or identification for these purported taxi-drivers.

**The final Action Plan will be submitted to USAID separately with the consultant's final report.**

### **3. Provide on-going CIO advisory work to the KRG.**

**Results:** The CIO supported a mentorship program for the DPM Reform Team. The CIO helped to develop a project rationale and business case for the program, as well as created critical thinking and innovation approaches to assist with reform efforts and the transfer of service delivery to Kurdish stakeholders. The DPM's Reform Team will work on initiatives related to: company registration, building permits, driving licences, internship programs, and infant vaccinations. The CIO's support will help the DPM to deliver a presentation on reform achievements plans, as well as help to guide the development of an e-services strategy and focus areas for the next two years.

In addition, the CIO prepared a draft budget for phases two and three of the payroll and governance project based on staffing levels, communications, and other operating costs, under previous KRG administration. It is probable that this draft budget will be adopted by the new KRG administration.

## **RECOMMENDATIONS**

The CIO identified areas for USAID to consider for further support of KRG reform initiatives.

1. Advice and Guidance Consulting - Provide advice-and-guidance consulting on e-services that will assist the KRG and can help position USAID at the center of emerging digital service delivery reform for governance.
2. Payroll and Payments Automation- Take advantage of cost and time benefits of automating payroll checking and direct payments to individuals.
3. E-services – Assess the need for funding support on a case-by-cases, as priority areas for USAID interest may exist across different funding contracts, departments, or initiatives. Universal registration may be of particular interest as a means to help address priority areas such as pro-poor growth, gender equity (access to services), economic growth, and e-payment to internally displaced persons.
4. Risk level consideration – Consider initiatives to be medium risk-high reward, as each will require sustained support to be successful, but have the potential for high reward.
5. Watching brief – Maintain flexibility within the remainder of the Plan to enable response to requests for assistance in developing digital transformation.
6. Prioritize interoperability training – Prioritize interoperability training, in particular for API Environment Management, as it can be initiated at any time. It is an essential precursor to all exchanges of data between software components to be developed in both technical and functional SOWs and should be considered a priority action.
7. Support low-risk interoperability interventions – USAID should consider funding low-risk, high-impact technical support that requires limited amounts of hardware and would provide a strong platform for functional software build/deployment, namely: Application and Data Security; User Interface Design Assistance; SMS Gateway and Integration; and Authentication – Testlab.
8. Procure trainings on ICT enhancement, capacity development, and quality assurance – Procuring capacity building in areas such as SQL Server and C# can be initiated at any time and does not present a procurement challenge.

9. Support low-risk capacity development technical interventions: USAID should support low-risk capacity development and sustainability interventions in ICT enhancement, capacity development, and quality assurance, as they represent limited investment in hardware, with the majority of expenditure being training and consulting interventions.