

**Republic of Iraq
Office of the Prime Minister**

**Strengthening Public Financial
Management Oversight and
Accountability Institutions in Iraq
- P170704 -**

**Stakeholder Engagement Plan
(SEP)**

September 23, 2019

1. Introduction and Project Description

The Strengthening Public Financial Management (PFM) Oversight and Accountability Institutions in Iraq Project is a €15.6 million (US\$17.6 million equivalent) **World Bank-European Union (WB-EU) Technical Assistance Program** that complements the existing International Bank for Reconstruction and Development (IBRD) **Modernization of Public Financial Management Systems Project** (P151357) for US\$41.5 million. The project development objective is to strengthen systems of accountability and oversight in the use and management of public financial resources in Iraq at both the federal and regional levels. This Economic Governance Project has 3 components and 6 subcomponents. Each technical subcomponent corresponds to a specific government reform commitment/objective and has been assigned to a lead government institution/department acting as the World Bank Group (WBG)-EU counterpart. An agreement has been reached with the Federal Government for the financing of some subcomponents through the Recipient-Executed Trust Fund (RETF) with WBG support. Other subcomponents will be initially Bank-executed on behalf of the recipient due to capacity constraints.

The project components and tentative amount allocated to each component is provided in Table 1. Phase I of this project is expected to be completed by 2021.

Table 1: Components of the Project + Advisory Services and Analytics (ASA)

Component Name	Cost (US\$, millions)
Component 1 – Enhancing Fiscal Accountability	8.50
Component 2 – Transparency, Integrity, and Legal Certainty	5.50
Component 3 – Project Management and Implementation Support CORRUPTION	3.63
Total	17.63

In addition to the project RETF activities (RETF and BETF on behalf of the Recipient), there are specific Multi-donor Trust Fund (MDTF)-EU funded Advisory Services and Analytics (ASA P164640) activities that will support the project during the preparation and implementation phases. These include policy notes, analytical briefs, and other reports and recommendations, as well as capacity building, and independent evaluations of projects funded by the Trust Fund.

2. Summary of Previous Stakeholder Activities

The environmental risk for the project is rated as Low, whereas the social risk is Moderate. The project will involve institutional strengthening and capacity development related to economic governance — activities that are not likely to result in negative social impacts. However, there might be a possibility of social risks relating to the social exclusion of particularly vulnerable and/or disadvantaged groups, or risks pertaining to labor and working conditions. Other risks include stakeholder risks, conflict or security concerns, and institutions and capacity.

The project-affected parties could include all sectors and departments and concerned civil servants within the 13 federal and regional government institutions involved in project implementation, as well as the Project Coordination Unit (PCU). Affected individuals also include women, children, and other vulnerable or disadvantaged groups who wish to access public services. Other interested parties could potentially

include federal and regional government institutions, public and private investors, non-state actors and civil society.

The initial round of stakeholder consultations will be done after the appraisal mission and negotiation of the grant agreement. However, as a part of project preparation and scoping, multiple meetings were held between the WB-EU technical team and representatives of key federal government institutions and stakeholders, including representatives from the Prime Minister's Office (PMO), the Council of Ministers Secretariat General, the Federal Ministry of Finance, the Federal Ministry of Planning, the Federal Board of Supreme Audit (FBSA), the Commission of Integrity, the Reconstruction Fund for Areas Affected by Terrorist Operations (REFAATO), the Iraqi Council of Representatives (ICOR), and others. Meetings were also held at the federal level with representatives from the United Nations Development Programme (UNDP) and the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (German International Development Agency) (GIZ).

In the Kurdistan Region of Iraq (KRI), the mission met with representatives from the Kurdistan Regional Government (KRG) Office of the Prime Minister, the Office of the Deputy Prime Minister, the Ministry of Planning, the KRG Commission of Integrity, the KRG Board of Supreme Audit, and the Kurdistan Parliament. The teams also met with the Reform Coordinator of the United States Agency for International Development/Development Alternatives Inc. (USAID/DAI) responsible for the Iraq Governance and Performance Accountability Project, as well as with representatives of civil society organizations. Preliminary stakeholder mapping was conducted and the impact of the project intervention on various parties including civil servants was discussed.

3. Stakeholder Identification and Analysis

According to the Environmental and Social Standards 10 (ESS10), there are two categories of stakeholders, as outlined below:

3.1 Affected parties

ESS10 refers to the identification of individuals, groups, and other parties who may be directly or indirectly affected by the project, whether positively or negatively. The Stakeholder Engagement Plan (SEP) focuses particularly on those directly affected by the project activities. To date, the directly affected parties under this category have been identified as all departments and concerned civil servants within the 13 targeted federal and regional government institutions, including the PCU — one each at the federal and KRG level. The federal and regional institutions include the Prime Minister's Office (PMO), the Council of Ministers Secretariat General, the Federal Ministry of Finance, the Federal Ministry of Planning, the Federal Board of Supreme Audit (FBSA), the Commission of Integrity, the Reconstruction Fund for Areas Affected by Terrorist Operations (REFAATO), the Iraqi Council of Representatives (ICOR), the KRG Commission of Integrity, the KRG Board of Supreme Audit, and the Kurdistan Parliament.

The project will contribute toward improved public financial management oversight and accountability. The potential for the federal and regional governments to improve service delivery and increase participation, transparency and accountability vis-à-vis their citizenry, elected representatives and creditors is widely recognized. Several factors will help to improve the quality and efficiency of public spending, such as the gradual introduction of e-Government digital services — including e-Government procurement, the new approach for confronting and combating corruption, and the foundation for medium-term performance targets. They should also help to provide information to facilitate improved planning for the strategic allocation of resources.

According to the ESS10, it is particularly important to understand the project impacts and whether such impacts may disproportionately fall on disadvantaged or vulnerable individuals or groups — groups that often do not have a voice. In the case of the Economic Governance Program, there could be risks of exclusion of certain civil servants from targeted institutions due to inefficiencies in outreach to these groups to ensure their participation in issues such as payroll reform (that is, people with low information and information and communication technologies [ICT] literacy, disabled civil servants), or by unconscious discrimination/ practices under the current or new systems. There may also be risks of exclusion among certain categories of people in accessing public services due to a lack of information about the reforms, or because of their vulnerabilities (for example, the disabled, women, children, and minorities). These groups will be consulted as a part of the SEP.

3.2 Other interested parties

A range of stakeholders may be interested in the project because it indirectly affects their work or has some direct bearing on it. These could include governmental officials from other ministries, for instance from the Ministry of Trade, Planning and Development, or those involved in issues such as human rights, climate change, and so on. Other interested parties could also include various federal and regional government institutions, public and private investors — including state-owned enterprises (SOEs), the WB-EU technical team, other multilateral or bilateral partners, non-state actors, civil society, labor unions, the media, and so on. There could also be possible social risks including labor and working conditions, insufficient stakeholder participation, and institutional and capacity weaknesses.

As elucidated in ESS10, although these groups may not be directly affected by the project, they may have a role in the project preparation or have broader concerns beyond their individual interests. Thus, the SEP will entail consultations with representatives of each of these groups and will define a strategy for continual engagement with each throughout the project life.

3.3 Summary of Project Stakeholder Needs

Please refer to Annex 1 below.

4. Stakeholder Engagement Program (SEP)

4.1. Purpose and Timing of the Stakeholder Engagement Plan

The approach to the stakeholder engagement analysis will be underscored by three elements: a belief in the primacy of qualitative data; a commitment to participatory methods; and flexible, responsive methods. An inclusive and participatory approach will be followed taking the main characteristics and interests of the stakeholders into account, as well as the different levels of engagement and consultation most appropriate to the stakeholders. The SEP provides for enough consultations with all the aforementioned stakeholders, and their observations and suggestions will be recorded. A strategy for continual engagement throughout the project life will also be formulated.

The project will incorporate multiple citizen engagement mechanisms and will gender tag its components and results framework. The Environmental and Social Commitment Plan (ESCP) and the Stakeholder Engagement Plan provide for regular consultations with and training for stakeholders, such as civil

servants within the sectors of intervention, and institutions and departments at the federal and regional levels. The project also supports the efforts of the PCU to increase their capacity in communications and outreach by hiring experienced communications professionals to design and implement awareness and education campaigns. In addition, the project will focus on providing adequate training to civil servants with low ICT skills. To the extent possible, the project will entail an accessible design to ensure that all cases of individuals with disabilities can be considered in Iraq. This will include access to the company's website, the job application process, workplace technologies and content.

In general, engagement is directly proportional to the impact and influence of a stakeholder. Due to moderate social risks —and in light of the security situation and emergency nature of the project — appropriate engagement methods will be designed. They will also be flexible throughout the project cycle. The engagement methods will include key informant interviews, public meetings, workshops, and focus group meetings. As the extent of the project impact on a stakeholder group increases — or the extent of influence of a stakeholder on a project increases — engagement with this specific stakeholder group should intensify and deepen in terms of the frequency and the intensity of the engagement method used.

4.2 Proposed Strategy for Information Disclosure

Multiple consultative workshops will be held, and a representative sample of directly affected and other interested parties along with vulnerable groups will be invited. These platforms will be used to gather input about the project design and could also serve as information disclosure forums.

The SEP and Environment and Social Commitment Plan will also be disclosed on the World Bank website.

4.3 Proposed Consultations Strategy

Key Informant Interviews

Consultations with all the afore-mentioned stakeholders will take place through a participatory process. As much as possible, key informant interviews will be conducted face-to-face; some interviews will be conducted remotely by telephone, or video conferencing if the stakeholders are not nearby or readily available. This will constitute the core method of data collection.

Key informant interviews will be conducted using a semi-structured questionnaire, with key focus areas to be covered according to the type of informant. Questions will be formulated from the objectives and component areas outlined in the Project Appraisal Document (PAD).

In addition, public meetings and workshops with relevant stakeholders, as well as focus group meetings with female employees, could also be used for consultations.

4.4 Proposed Strategy to Incorporate the Views of Vulnerable Groups

Consultations will be carried out with representatives of disabled citizens groups. Accordingly, the design and engagement mechanisms and frequencies will be customized to those people who may be vulnerable, or to disadvantaged groups such as women, children, minorities, and so on. This will continue throughout the project life span.

4.5 SEP Timeline

Table 2 outlines the tentative work plan and timeline.

Table 2: SEP Timeline

Activity	Timeline
Desk-based	
- Review Project Appraisal Document and the ESS Guidance Note and summary to ascertain planning and execution of activities for each output.	Completed/ Questionnaire to be developed before implementation.
- Develop the questionnaire and identify the sample.	
Engagement with Project Staff and Local Stakeholders	
- Engage with Project Staff to: a) Interview relevant persons at the PCU, Ministry.	Will continue throughout project implementation
b) Conduct a focus group discussion with female employees.	
c) Identify and interview relevant local stakeholders for this analysis.	
Consultations/ Meetings	Will continue throughout project implementation.

4.6 Review of Comments

Comments will be noted and reviewed during each type of consultation, including key informant interviews, focus group discussions, consultative workshops, and workshop discussions. These notes will then be formulated into a report. Based on the analysis collected, changes may be made to project implementation.

4.7 Future Project Phases

The detailed consultations will suggest modes of communication and frequency of future engagements suitable to each type of stakeholder. Annex 2: Planned Stakeholder Engagement Activities include the targeted stakeholder for engagement, the topics to be discussed, the methods to be applied, the location and frequency, the responsible institutions.

5. Resources and Responsibilities for Implementing Stakeholder Engagement Activities

5.1 Resources

The project will have two part-time Social Specialist (Federal and Regional levels) overseeing the implementation of the SEP. In addition, the PCU will designate part-time environment and social focal points at each ministry charged with implementing the individual components. The project will also undertake measures for institutional capacity building, including implementation of the SEP. Regular training will be organized for the staff of the PCU and the Project Implementation Units (PIUs). World Bank staff will also provide additional training to the PCU and PIU staff as needed. SEP preparation costs will be

secured under operational costs. Costs for implementation will be covered under the overall costs of implementing the ESCP (staff time, and so on).

5.2 Management Functions and Responsibilities

The Social Specialist at the PCU will be responsible for implementing the SEP and will serve as the project focal point. There will be a separate Social Specialist at the federal and regional levels.

6. Grievance Redress Mechanism (GRM)

A Grievance Redressal Mechanism (GRM) will be developed and operationalized, commensurate with the requirements of the ESS10. This GRM will serve as a channel by which to voice complaints and/or issues raised or faced by beneficiaries and stakeholders. The SEP follows the template/guidelines provided by the World Bank to prepare and operationalize the GRM.

Ultimately, the objective of engaging with the various stakeholders is to create an atmosphere of understanding. These groups should be provided with enough opportunity to voice their opinions and concerns on issues that may influence project decisions.

The PCU maintains an online Complaints section, where anyone can register a complaint about any issues pertaining to this project. The website provides the complainant with the choice of sending hard copies and provides a mailing address. The existing government website will also include a section on online complaints to be moderated by the PCU. In addition, social media pages such as Facebook and Twitter could also be used for complaints. For stakeholders who are not information technology (IT) savvy, a complaint box could be placed at various locations, including locations easily accessible to the disabled. The Alternate Dispute Resolution is a system whereby the stakeholders can refer any project issues and recommendations for consideration to independent experts to be constituted by the PCU as needed. Separate GRMs will be established at the federal and regional levels after the PCUs become operational (Timeline for processing complaints, monitoring, recording, reporting protocols, etc.).

However, the effectiveness of the entire system needs to be evaluated for its timely response, engagement and resolution process, as well as the frequency of communications with the complainant. The PCU will require assistance in making the GRM simpler, and more linguistically appropriate (for example, complaint forms should also be available in Arabic), as well as accessible through other means. Also, accessibility to lesser educated and disabled stakeholders needs to be ensured. In addition, information about the GRM needs to be widely circulated through dedicated media campaigns using print, electronic, and social media so that all stakeholders are aware of this facility dedicated to their benefit.

7. Monitoring and Reporting

7.1 Involvement of stakeholders in monitoring activities

The ESCP and the SEP will require regular consultations with stakeholders to obtain feedback regarding the effectiveness of facilitation measures and will seek to gather suggestions for further improvements. These consultations will also be used to gather information about the project's progress in meeting the results indicators, as noted in the project's results framework.

Biannual ESCP compliance monitoring reports will be prepared and submitted by the project's Environment and Social Specialists throughout the project life.

7.2 Reporting to stakeholder groups

The biannual reports will be submitted to the World Bank. The results of stakeholder engagement activities will be reported back to both affected stakeholders and broader stakeholder groups. The project also supports the PCU's efforts to increase its communications capacity and outreach by hiring experienced communications professionals to design and implement stakeholder awareness, education campaigns, as well as a feedback loop.

Annex 1: Summary of Project Stakeholder Needs

Stakeholder Group	Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific Needs
Affected Parties	Departments and civil servants within the 13 federal and regional government institutions, including the PCU and PIUs.	Nationwide presence with more than 3 million civil servants, excluding those working in SOEs.	<p>Federal and regional governments need to improve service delivery and increased participation, transparency and accountability vis-v-vis their citizenry, elected representatives and creditors.</p> <p>Civil servants need to be paid in a timely and accurate manner. Relevant civil servants need to be trained on key IT systems and competencies (i.e. e-government payment and e-government procurement systems, ICT-based case management system, etc.)</p> <p>Capacity building, staffing, and training of PCU and PIUs to comply with the Environmental and Social Framework (ESF) requirements.</p> <p>Basic requirements on labor and working conditions: terms and conditions of employment, non-discrimination and equal opportunity, worker's organizations, child and forced labor, the grievance mechanism, and occupational health and safety (OHS). Issues might occur if institutional reforms have an impact on worker-related issues, such as hiring practices/ retrenchment.</p>	To be decided.	To be identified.
Affected Parties	People with low information and communication technologies (ICT)	ICT training may not be enough to handle the advanced software and hardware systems.	Unable to use computers or utilize the online reporting formats.	To be decided.	To be identified.

Stakeholder Group	Identified Party	Key Characteristics	Needs/Issues	Preferred Notification and Frequency	Specific Needs
	literacy (including both employees and citizens).				
Affected Parties	Female employees	Government set quotas for female civil servants.	Job retention, promotion and incentives; non-discrimination and equal opportunities. An enabling environment and performance incentives are required and should be based on a robust appraisal system and measures to promote a more diverse workforce by improving the hiring and retention of women.	To be decided.	To be identified.
Other Interested Parties	Federal and regional government institutions, public and private investors, including SOEs, the WB-EU technical team, other multilateral or bilateral partners, non-state actors, civil society, labor unions, and so on.	Various participating government agencies at the federal and regional levels need to coordinate with the PCU to provide the required information.	Project information, scope, rationale, E&S principles May have a role in the project preparation, or have broader concerns beyond their individual interests (i.e. human rights, climate change, etc.)	To be decided.	To be identified.
Disadvantaged / Vulnerable Individuals or Groups	Women, children, minorities, and other vulnerable or disadvantaged groups who wish to access public services.	Their vulnerabilities might affect their abilities to access public services (for example, public finance literacy campaigns).	Small, focused meetings may be needed to provide a more comfortable environment in which to raise issues. Need translation into a minority language. Lack of transportation to events, difficulties in accessing venues.	To be decided.	To be identified.
Disadvantaged / Vulnerable Individuals or Groups	Disabled stakeholders	Not able to operate or access ICT.	People who are physically handicapped (blind or unable to use their hands) or who have a learning disability such as dyslexia can be excluded.	To be decided.	To be identified.

Annex 2: Planned Stakeholder Engagement Activities

Stakeholder Group	Identified Party	Topics of Engagement	Method(s) Used	Preferred Notification and Frequency	Responsible Institutions
Affected Parties	Departments and civil servants within the 13 federal and regional government institutions, including the PCU and PIUs. Nationwide presence with more than 3 million civil servants, excluding those working in SOEs.	Project information- scope, rationale and E&S principles, especially e-government payment/ procurement/ case management reforms Training on e-government digital services Grievance mechanism process	Key informant interviews, other interviews (by phone/ video conferencing), public meetings, workshops, focus group meetings Training on e-government digital services Capacity building, staffing, and training of PCU and PIUs to comply with the Environmental and Social Framework (ESF) requirements	To be decided.	PCU Social Specialists Each Ministry's environment and social focal points
Affected Parties	People with low information and communication technologies (ICT) literacy (including both employees and citizens).	Project information- scope, rationale and E&S principles, especially e-government payment/ procurement/ case management reforms Adequate ICT training, or alternative methods Grievance mechanism process	Dedicated training to civil servants with low ICT skills Consultations or focus group meetings Complaint box placed at various locations, including locations easily accessible to the disabled.	To be decided.	PCU Social Specialists Each Ministry's environment and social focal points
Affected Parties	Female employees	Project information- scope, rationale and E&S principles, especially e-government payment/ procurement/ case management reforms Training on e-government digital services	Conduct a focus group discussion with women employees Training on e-government digital services	To be decided.	PCU Social Specialists Each Ministry's environment and social focal points

Stakeholder Group	Identified Party	Topics of Engagement	Method(s) Used	Preferred Notification Frequency and	Responsible Institutions
		Grievance mechanism process			
Other Interested Parties	Federal and regional government institutions, public and private investors, including SOEs, the WB-EU technical team, other multilateral or bilateral partners, non-state actors, civil society, labor unions, and so on.	Project information- scope, rationale and E&S principles Coordination activities Grievance mechanism process	Consultations with representatives of each of these groups.	To be decided.	PCU Social Specialists
Disadvantaged / Vulnerable Individuals or Groups	Women, children, minorities, and other vulnerable or disadvantaged groups who wish to access public services (for example, public finance literacy campaigns).	Project information- scope, rationale and E&S principles Accessible design to ensure disadvantaged/ vulnerable individuals or groups are considered and advocated for Grievance mechanism process	Small, focused meetings may be needed to provide a more comfortable environment in which to raise issues. Need translation into a minority language. Provide transportation to events if needed. Complaint box placed at various locations, including locations easily accessible to the disabled.	To be decided.	PCU Social Specialists
Disadvantaged / Vulnerable Individuals or Groups	Disabled stakeholders who are not able to operate or access ICT. For example, people who are physically handicapped (blind or unable to use their hands) or who have	Project information- scope, rationale and E&S principles, especially e-government payment/ procurement/ case management reforms Accessible design to ensure individuals with disabilities	Consultations or focus group meetings. To the extent possible, the project will entail an accessible design to ensure that individuals with disabilities are considered and advocated for in every stage of a company's operations and processes. This includes access to the company's website, the job application process, workplace technologies and content.	To be decided.	PCU Social Specialists Each Ministry's environment and social focal points

Stakeholder Group	Identified Party	Topics of Engagement	Method(s) Used	Preferred Notification Frequency and	Responsible Institutions
	a learning disability such as dyslexia.	are considered and advocated for. Grievance mechanism process	Complaint box placed at various locations, including locations easily accessible to the disabled.		