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Policy Making

Local Financial Policy-making

Preface:

- One of the responsibilities of the Council is the development of a public policy for the Province. The local Financial policy is considered part of this policy.
- Financial Policy has a profound impact on the development of Strategic Plans for the Province and the process of developing the Investment budget for the Province.

How the Constitution and Law Identified the Responsibility of Policy-Making

- First: Constitution

The constitution separates some powers of Policy-making, where it identifies some of these powers as Federal Policies in article 110 such as (Foreign Policy-making, National Security Policy-making, and Financial Policy-making).

There are joint powers identified in article 114 through which it is clear that the project focuses on the process of Policy-making concerning joint powers.

Article 114 of the Constitution

- We will state some paragraphs of this article related to Policy-making:
Paragraph 3: Environmental Policy-making (in cooperation)
Paragraph 4: Public Planning and Development Policy-making
Paragraph 5: Public Health Policy-making (in cooperation)
Paragraph 6: Educational Policy-making (in consultation)
Paragraph 7: Interior Water Resources Policy-making and organization

Second: Law of provinces not incorporated into a region No.21 of 2008

Article 7 of Law No.21 states that the following is within the powers of the PC:

Fourth: Make a public Policy for the Province in coordination with concerned Ministries to develop plans concerning the Province.

Fifteenth: Identify the Province priorities in all fields, make its Policy, and prepare strategic plans for development in a manner that does not contradict the national development.

Important Notice

Based upon the constitutional and legal basis supporting the implementation of the decentralized system in Iraq, financial laws and instructions do not tackle how to be amended to support the implementation of the decentralized system. In other words, it is needed to study amendment of financial system that is currently in force to support the implementation of the decentralized system in general.

What is the Public Policy?

- It is ongoing action plan with specific purposes. It is designed to make response to problems identified by citizens.
- The public Policy is developed through a political process.
- It is adopted and applied by Government Institutions.

Stages of Public Policy-making

The stages of public policy-making include four stages:

1. Identify and analyze the problem
2. Prepare a plan to treat this problem (may include programs, legislations or instructions)
3. Start to implement the plan
4. Follow-up and assess the plan implementation.

What is the Financial Policy?

- The financial policy is the identification of local Government to its sources of income and aspects of expending for this income in accordance with the policy priorities of the Province.

Goals of Financial Policy

- The financial Policy aims at:
- Balance between the disposable income and expenses
- Effect on economic activity
- Achieve the principle of redistribution
- Achieve the goals of comprehensive development

Steps of Local Financial Policy-Making

- The following steps are performed by the executive body and considered as sources for the Council for Financial Policy-making:

I- Identify and analyze local sources of income : including the following sub-steps:

- a) Identify the available types of revenues; (taxes, charges, investment returns...etc.)
- b) Determine the percentage of the participation of these revenues in the general income of the province,
- c) Analyze the percentage of the annual change in revenues and to recognize the reasons behind the change,
- d) Study variables in the overall economic activity in the province,
- e) Study the possibility of amending percentages imposed for types of revenues.

Steps of Local Financial Policy-Making

2- identify the maximum expending: it can include the following sub-steps:

- a) Study the general trend of expending by type (operational and investment),
- b) Analyze the operational expenses,
- c. Analyze the investment expenses to determine the effect of those expenses on services.
- d) Study and analyze the delayed investment projects, and recognize reasons of delay.
- e) Analyze the public expending rate and average

Relationship of Local Financial Policy to Planning and Budgeting

1. Financial Policy-making is the way to achieve the best use of disposable income.
2. The Financial Policy directs the budget in a way that achieves the goals of the Province.
3. A clear strategy for the development can not be developed without a Financial Policy.
4. The Financial Policy helps to determine the general trend of revenues system.
5. The Financial Policy is one of the means of control and follow-up.

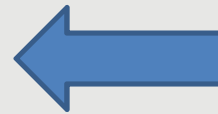
Financial Policy-making



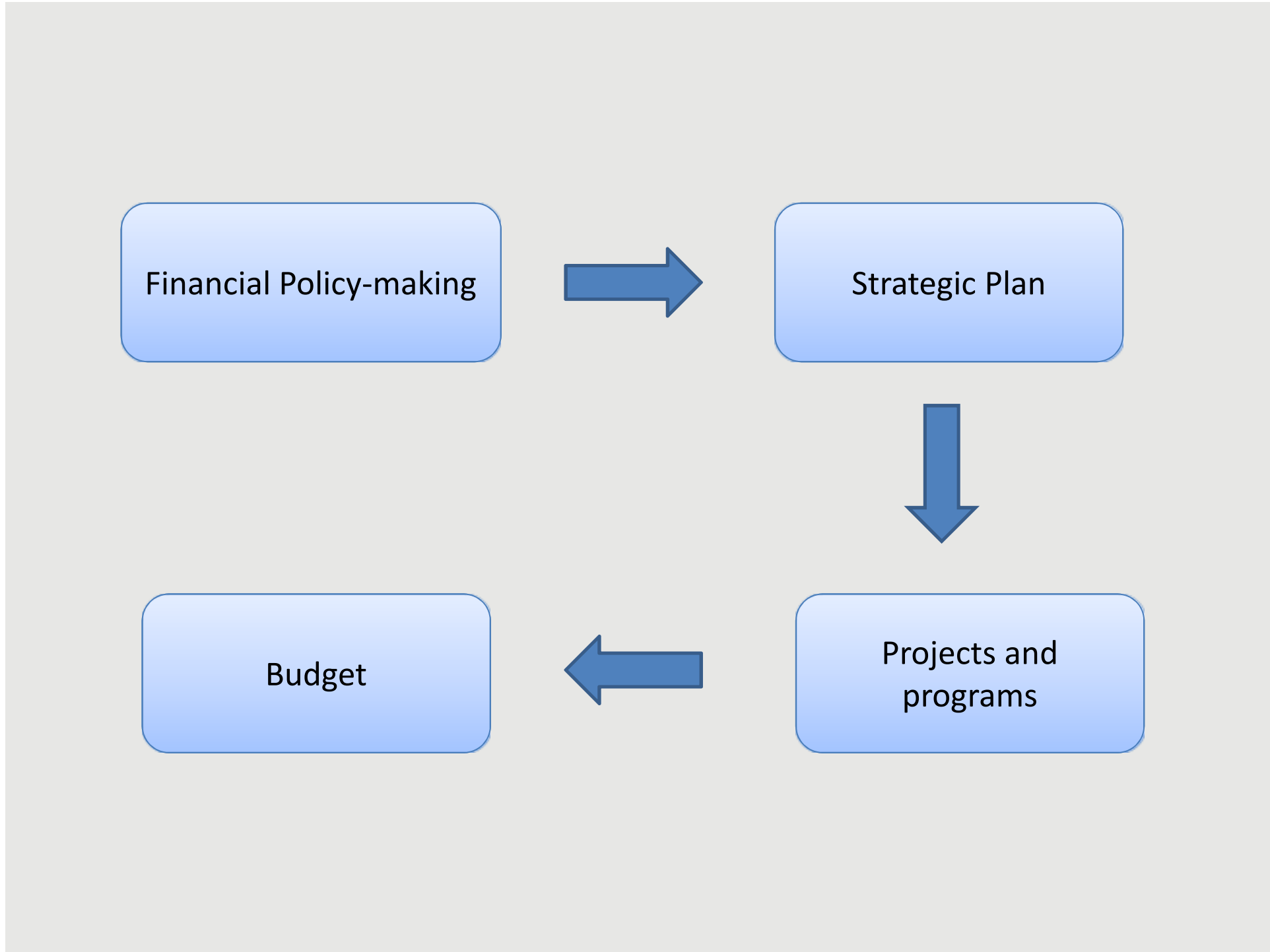
Strategic Plan



Budget



Projects and
programs



Questions and Explanations

Thanks for Listening

