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ANNEX IV

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of the Asia-Pacific Region for 2022-2023

Action Document for Sustainable Social and Economic Re-integration, and improved migration governance in Iraq

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Sustainable Social and Economic Re-integration, and improved migration governance in Iraq OPSYS number: ACT-61455 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	Yes TEI for Iraq: ‘Team Europe for Iraq’s future’ ¹
3. Zone benefiting from the action	The action shall be carried out in Iraq
4. Programming document	Regional Multi-annual Indicative Programme for Asia and the Pacific 2021-2027
5. Link with relevant MIP(s) objectives / expected results	<i>Regional Multi-annual Indicative Programme (RIP) for Asia and the Pacific</i> Priority area 3 of the Regional Multi-annual Indicative Programme for Asia and the Pacific 2021-2027 focuses on Migration, Forced Displacement and Mobility. The overall objective of this priority area is to contribute to inclusive growth and sustainable development in countries of origin, transit, and destination by fostering well-managed migration and mobility. Specific Objective 3 – Encourage relevant exchange between origin, transit, destination and/or host countries to increase cooperation and improve management of migration and/or forced displacement challenges, as well as to expand their cooperation with the EU on migration, forced displacement and mobility. Expected result 3.1: Capacities of partner country to cooperate on and address migration and/or forced displacement challenges, and enhance ownership of migration-related processes identified and agreed in migration partnerships with the EU, are reinforced

¹ Formerly called ‘Sustainable and inclusive socio-economic perspectives for Iraq’

	<p>Expected result 3.2: Partner countries' cooperation with the EU on migration, forced displacement and mobility is enhanced. This may include the development of Talent Partnerships.</p> <p><i>Multi-annual Indicative Programme (MIP) for Iraq</i></p> <p>Specific objective 1.1: Promote an economic transformation that creates decent jobs and increases productive capacity</p> <p>Specific Objective 2.1: Improve quality, equality and digitalisation of the education system including technical education and vocational training</p> <p>Specific objective 3.2: Improved protection of the rights and dignity of displaced populations through effective migration and durable solutions governance, management and capacity</p> <p>Expected result 1.1.1: Increased formalisation of businesses and increased productive and quality employment with focus in the green economy and agribusiness</p> <p>Expected result 1.1.3 Increased capacity for business innovation, financial services and entrepreneurship, including on sustainable and digital solutions with focus on women and youth in the green economy</p> <p>Expected result 2.1.1 Improved access and completion of inclusive and equitable primary and secondary and TVET education with focus on IDPs, refugees, returnees girls and children with disabilities and direct link to labour market (for TVET)</p> <p>Expected result 2.1.4 The access to skills and jobs for returning and prospective migrants is enhanced in the context of an improved migration management.</p> <p>Expected result 3.2.1 Protected rights and dignity of migrants, displaced people and returnees, as well as effective migration and durable solutions governance, management and capacity</p> <p>Expected result 3.2.2 Increased cohesion at national and local levels between migrants, displaced people, returnees and the host communities</p>
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	<p>RIP Priority area 3 <i>Migration, Forced Displacement and Mobility</i></p> <p>MIP Priority area 1 <i>Job creation and economic diversification - sector Decent jobs for Youth and Private Sector development (DAC 250)</i></p> <p>Priority area 2 <i>Human development and social contract – sectors Inclusive education and Technical and Vocational Education and Training (TVET) (DAC 110)</i></p> <p>Priority area 3 <i>Digital participatory governance and democracy – sector Migration governance and durable solutions (DAC 151)</i></p>
7. Sustainable Development Goals (SDGs)	<p>Main SDG: SDG 10 Reduced inequalities</p> <p>Other significant SDGs:</p> <ul style="list-style-type: none"> 1 End poverty 4 Quality education 5 Gender equality 8 Decent work and economic growth 13 Climate action 16 Peace, justice and strong institutions

8 a) DAC code(s)	DAC 15190 - <i>Facilitation of orderly, safe, regular and responsible migration and mobility</i> – 25 % DAC 250030 – <i>Business development services</i> – 50% DAC 11330 – <i>Vocational training</i> – 25 %			
8 b) Main Delivery Channel	90000 Other (EU Member States Agencies) 41000 United Nations Agencies			
9. Targets	<input checked="" type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	/
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

	digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	transport	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	health, education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line (article, item): 14 02 01 30 NDICI Middle East and Central Asia Total estimated cost: EUR 20 000 000 ² Total amount of EU budget contribution: EUR 20 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.2			

1.2 Summary of the Action

Following two decades of wars and conflict and improved security conditions since the territorial defeat of Da'esh, Iraq, an Upper Middle-Income Country with substantial resources, is still fragile and challenged by both internal and external political instability, economic instability, poor public service delivery and low institutional capacity. The Iraqi population in general and in particular groups in vulnerable situations such as youth, women, children, displaced populations (refugees, Internally Displaced People (IDPs) and returnees from the EU and elsewhere, are affected by significant rises in poverty and un- and underemployment. Distrust in state institutions, a lack of basic services including education and notably technical and vocational education and training (TVET), but also very importantly, the lack of decent jobs, as well as continued displacement remain key drivers of conflict and a threat to Iraq's social cohesion. The full re-integration of the remaining caseload of displaced people (IDPs and refugees) and of returnees remains a driver of conflict and a threat to Iraq's internal stability and security.

The return, readmission and re-integration of Iraqi returnees from Europe remains a contentious issue in Iraq – EU relations. The engagement on the migration file intensified as of 2021 to frequent high-level bilateral engagements initially focussing on the migration situation at the EU/Belarus border but also addressing the migration-related obligations under the Partnership and Cooperation Agreement (PCA), notably the cooperation on non-voluntary returns. By reinforcing the ongoing support for the re-integration of returnees and displaced populations, this Annual Action Plan (AAP) aims to incentivise Iraqi authorities to move towards a sustained cooperative approach on migration with the EU and EU Member States, also on non-voluntary returns. In addition to incentivising and leveraging advancements in the migration dialogue, including on return-readmission-re-integration, it is in the EU's interest to – in a Team Europe approach - address the re-integration of displaced populations and returnees from Europe and elsewhere into national Iraqi systems to reduce a key driver of conflict and threat to Iraq's as well as the region's security, and by extension the EU's stability.

² EU Member States show a pronounced interest to co-fund parts of the Action.

This Action is the EU's second AAP in favour of Iraq in the 2021-2027 programming period and is financed from the Regional Multi-annual Indicative Programme (Regional MIP) specifically under the flexible incentive mechanism foreseen under Specific Objective 3 of Priority 3 *Migration, Forced displacement and Mobility*.³

The Action aims at assisting the Government in the reintegration of displaced populations (refugees, IDPs) and returnees (including from Europe and elsewhere), while strengthening the overall national migration governance and migration management capacities, and addressing the root causes of fragility and migration. The Action is designed in the context of the EU concluding its shift from post-crisis recovery support to Iraq through Special Measures to long-term development programming through a dedicated MIP for Iraq and AAPs. In line with the Iraq MIP's objective to consolidate the country's fragile political and economic stability, this RIP Action aims to contribute to the Government's efforts in addressing needs linked to protracted displacement and reintegration (including of returnees from Europe and elsewhere) by promoting the inclusion of returnees and displacement-affected populations into national Iraqi systems, but equally and importantly, addressing the root causes of irregular migration, particularly among Iraqi youth. The proposed Action will ensure the EU's position as a key strategic partner of the Government of Iraq, including by supporting the fulfilment of the Government's international and PCA commitments on returns.

Against a backdrop of political pressure to improve service provision for all Iraqis, end the displacement crisis and reintegrate returnees from Europe and elsewhere, it is ever more urgent for displaced populations and returnees to benefit from functioning referrals to national systems for basic services and to benefit from skills development and decent employment opportunities. The Action focuses on the three critical aspects most relevant for the integration of returnees and displaced persons (IDPs, refugees), which constitute equally the key root causes for migration and fragility:

- 1) migration governance reforms with a focus on national referral systems,
- 2) provision of decent job and entrepreneurship opportunities, and
- 3) TVET reforms for the provision of skills demanded by the labour market.

As such, the Action contributes to the objectives of the three priority areas of the MIP for Iraq, notably through its foci on job creation for youth (priority area 1 of the MIP); human development including skills education (priority area 2 of the MIP); and digital migration governance reforms (priority area 3 of the MIP).

This Action is aligned with Commission priorities of Migration and Mobility, Sustainable Growth and Jobs, and Digitalisation. The Action will mainly work towards SDG 10 (Reduced inequalities), as well as SDGs 1 (poverty), 4 (quality education), 5 (gender equality), 8 (decent work and economic growth), and 16 (peace, justice and strong institutions). The proposed Action supports the informal EU – Iraq migration dialogue and cooperation on return and readmission. It also contributes to meeting the aggregate target for migration and forced displacement for the Asia-Pacific region. By tackling the challenges of protracted displacement and creating the conditions for the displaced populations' integration into national systems, the Action also responds to the EU's pledges at the Conferences on *Supporting the Future of Syria and the region* in 2022, thereby continuing the humanitarian-peace-development nexus approach (the triple Nexus).

The Action will also contribute to the Team Europe Initiative "*Team Europe for Iraq's future*"⁴ with its Specific Objective 2, for which three EU Member States (MS) show a pronounced interest to co-fund and co-implement, but equally a collaboration will be established for Specific Objective 1 (one MS) and Specific Objective 3 (two MS).

Creating the conditions for access to national systems by displacement-affected populations, returnees, and potential migrants ensures the sustainability of EU efforts in line with the durable solutions agenda and promotes the transition to a long-term development approach. Applying a triple Nexus approach, the Action capitalises on prior and ongoing EU interventions funded under the DCI and NDICI Instruments (MIP and RIP) but also Frontex. It aims to place people's needs at the centre of policy decisions and the EU – Iraq policy dialogue on returns,

³ "Encourage relevant exchange between origin, transit, destination and/or host countries to increase cooperation and improve management of migration and/or forced displacement challenges, as well as to expand their cooperation with the EU on migration, forced displacement and mobility."

⁴ The TEI for Iraq (formerly entitled "*Sustainable and inclusive socio-economic perspectives for Iraq*") was renamed in June 2022 by decision of the EU Heads of Missions.

readmission and re-integration. The Action focuses on mutually reinforcing interventions, maximising innovation, fostering synergies and engaging communities and civil society as well as leveraging private investment. To ensure effectiveness, the Action proposes the continuation of programmatic approaches with trusted partners that demonstrate a strong absorption and implementation capacity.

2 RATIONALE

2.1 Context

Following two decades of wars and conflict, Iraq is still fragile and in a process of post-conflict recovery. Despite Iraq's designation as an Upper Middle-Income Country (UMIC) with substantial resources, Iraq ranked only 105 out of 165 in the SDG Index Dashboard Report of 2021, mainly as a result of the past conflict and structural deficiencies. The country is challenged inter alia by political instability, economic recessions and poor public service delivery, especially to the large numbers of displaced persons who require assistance. Iraq's economy remains heavily dependent on oil exports, which accounts for 90% of Government revenue and is, therefore, continuously strongly affected by the sharp fluctuations in oil prices. The fragmented political landscape undermines effective Government action, security, and transparent governance, conditions being contested through popular widespread demonstrations since October 2019. The Government needs to deliver faster on economic and political reforms and on national reconciliation if it wants to avoid resurgence of protests and violence as well as withstand demographic pressures, including an annual increase of hundreds of thousands of job-seekers entering the job-market. In 2020, the COVID-19 pandemic and the sharp decline in oil prices aggravated the socio-economic vulnerabilities, while in 2022 the global recession and the global food crisis impact the wellbeing of the population despite the high oil prices and resulting high Government revenue. Partly as a result of conflict, the Iraqi Government continues struggling to provide adequate basic services such as access to drinking water, electricity, health and justice, and to offer a comprehensive social safety net, employment and educational opportunities, particularly for the growing youth population. Poverty has risen from 20% in 2018 to an estimated 36% in 2021, severely affecting the Iraqi population and in particular groups in vulnerable situations such as women and children, displaced populations (Syrian refugees, Iraqi internally displaced persons) and returnees from the EU and elsewhere. There has also been an increase in the number of people in need of humanitarian assistance (EUR 2.5 million⁵). **One of the most important risk factors for the social stability and social cohesion in Iraq is the lack of jobs for Iraq's youth which represents a key driver of irregular migration flows to Europe and elsewhere.** Iraq has seen a continuous increase in un- and underemployment in a country marked by a predominantly informal private sector which is linked to the demographic trajectory with a population growth rate estimated at 2.4% (upper middle income country average 0.5% or MENA average 1.5%). The dramatic situation of the Iraqi labour market is shown by key international indicators⁶. In Iraq as of 2022, the employment to population ratio that indicates how efficiently an economy provides jobs for people willing to work stands at 33%, which is striking when compared to Iraq's peer upper middle income countries (59.9%). This translates into a high unemployment rate at 16.5% (UMIC average 6.3%). The situation for the Iraqi youth is particularly dire with an unemployment rate for youth at 35.8% and specifically for young women at 62.1%, while the proportion of youth not in education, employment or training (NEET) is at 36.7% and for young women at 52.3%.

In addition to difficulties in delivering basic services and providing decent work to the fast-growing population, Iraq faces the challenge of displaced persons and lack of adequate institutional streamlined response for the reintegration of IDPs and returnees from Europe and elsewhere, which risks to jeopardise the sustainable nature of returns. Whilst the number of IDPs has drastically reduced since the defeat of Da'esh in 2018 from 5.8 million (16% of the population) to 1.2 million in 2022 (2% of the population), and the number of Syrian refugees in the Kurdistan region remains stable at around 255.000 persons since 2015, displacement remains a key driver of conflict and a threat to Iraq's internal stability and security. National authorities and international partners are increasingly focused on addressing protracted displacement and finding durable solutions for displacement-affected groups.

⁵ Humanitarian Needs Overview for Iraq of March 2022: <https://reliefweb.int/report/iraq/iraq-humanitarian-needs-overview-2022-march-2022>

⁶ ILO and Iraq National Statistics Organisation's National Labour Market Assessment of 2022 compared to ILO World Employment Report 2022

This situation of deteriorating socio-economic conditions for the Iraqi population, the lack of perspectives for Iraq's youth and women, in turn has the potential of fuelling violence thereby perpetuating the conflict cycle together with the dissatisfaction around the 2021 national elections. Moreover the conditions and lack of perspectives in Iraq motivates thousands of Iraqis to leave their country in pursuit of better living conditions, with Europe as a final destination. The experience of August 2021 when thousands of Iraqi citizens travelled to Belarus and subsequently entered EU territories irregularly (notably towards Lithuania and Poland) and the ensuing diplomatic, migration and humanitarian crisis on the EU borders, are a daunting reminder of this reality and underlines the need to provide sustainable reintegration support to returnees but also to support Iraq in addressing the root causes of irregular migration.

The Action supports the operationalisation of the external dimension of the EU Pact on Migration and Asylum⁷. Following the Belarus crisis, Iraq and the EU have strengthened their migration dialogue and Iraq has requested EU support to cooperate on the reintegration of its returnees and in addressing further irregular departures triggered by a lack of jobs. This Action is meant to support the reintegration of returnees once returns will happen as well as those vulnerable to irregular migration and host communities in the areas of return. The returnees should be the key target group but the action will also address the part of the population that did not leave but is at risk of leaving due to a lack of job opportunities etc. - for example youth and IDPs in the Kurdish area. The underlying rationale for this support, to be funded through the flexible mechanism foreseen under the Regional MIP 2021-2027 for Asia and the Pacific, is an anticipated increase in the number of returns, which the EU will help Iraq reintegrate. The EU has established itself as a credible partner and sector leader through longstanding engagement in Iraq and can build on a well-established policy dialogue and strong partnerships. Similarly, this Action is guided by the PCA⁸ between the EU and the Government of Iraq (notably Article 105 on cooperation on migration and asylum) and the EU Strategy on Iraq⁹, both of which outline the EU's interest that Iraq emerges stronger from the multiple crises the country has faced in the past decades. The Action contributes as well to the Iraq Human Rights and Democracy Country Strategy 2021-2024 and the Iraq EU Gender Action Plan Country Implementation Plan (GAPIII CLIP2021-2025) objectives¹⁰.

With regards to migration, the legally binding PCA of 2012, which entered into force in 2018, provides the legal framework and includes the Iraqi commitment to accept readmission of their nationals. While irregular arrivals to the EU have diminished in recent years, Iraqi nationals are estimated to represent the second largest group of third-country nationals on the territory of EU Member States that have been issued a return order. Iraq has been willing to engage in migration dialogues and migration cooperation in different fields. In particular, the cooperation from Iraq on the situation at the Belarus border in autumn/winter 2021 was forthcoming, with Iraq suspending flights to Minsk, closing the Belarusian honorary consulates in Bagdad and Erbil, repatriating over 3,800 of its citizens from Belarus as well as cooperating with Lithuania, Latvia and Poland on voluntary returns. In contrast, cooperation on non-voluntary returns still presents serious challenges, despite the binding nature of the agreement.

There is a strong coherence between this Action with the policy priorities of the New European Consensus on Development of 'People' (2.1 - strengthen the sustainable provision of essential services), 'Prosperity' (2.3 – create decent jobs) and 'Peace' (2.4 – promote good governance). The Action will contribute to the EU-Iraq informal migration dialogue and to the operationalisation of the external dimension of the EU Pact on Migration and Asylum. The Action contributes primarily to SDG 10 (reduced inequalities), but also to SDGs 1 (poverty), 2 (zero hunger), 4 (quality education), 5 (gender equality), 8 (decent work and economic growth), and 16 (peace, justice, strong institutions). The foreseen support is further in line with the Commission priorities for 2019-2024¹¹ of 'Migration and Mobility', 'Sustainable Growth and Jobs' and 'Digitalisation'. By paying special attention to the most marginalised within Iraq, the programme is also in line with the Agenda for Change¹², and its commitments to 'build the foundations for growth and ensure that it is inclusive'. At the same time, through its objective on job creation and the formalisation of the labour market, this Action will contribute to the TEI 'Team Europe for Iraq's

⁷ COM(2020) 609 final of 23.09.2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0609&from=EN>

⁸ [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22012A0731\(01\)&qid=1498939228584&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22012A0731(01)&qid=1498939228584&from=EN)

⁹ https://eeas.europa.eu/sites/default/files/2018-11/f1_communication_from_commission_to_inst_en_v2_p1_961709.pdf.

¹⁰ https://ec.europa.eu/international-partnerships/system/files/join-2020-17-final_en.pdf

¹¹ Green Alliances and Partnerships in line with the European Green Deal; Alliances for Science, Technology, Innovation and Digital; Alliances for Sustainable Growth and Jobs; Partnerships for Migration and Mobility; Partnerships for Human Development, Peace and Governance. More information on: https://ec.europa.eu/international-partnerships/our-work_en

¹² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0637&from=en>.

future” (formerly named ‘Sustainable and inclusive socio-economic perspectives for Iraq’) with Germany, France, Italy and the Netherlands as participating EU Member States. The foreseen support also responds to the EU’s commitments to assisting Iraq in regional challenges, such as those made in the context of the Conferences on Supporting the Future of Syria and the region in 2022¹³. The EU therefore continues with the humanitarian-peace-development nexus approach (triple nexus) through this new support.

Public Policy of the partner country

This Action is based on Iraq’s **National Development Plan 2018 - 2022** (NDP), which was prepared at a time when immediate stabilisation, reconstruction and a large-scale civilian displacement of six million persons were at the forefront of concerns. Iraq has since made progress following the territorial defeat of Da’esh and embarked on a trajectory of stabilisation and reconstruction. Structural challenges identified in the NDP that continue to hamper to date the development process include low efficiency of institutional performance, an inflated public sector, administrative and financial corruption, and a myriad of economic shortcomings such as the deterioration of the investment climate, a lack of access to finance, the distortion of sectoral structure, trade imbalance, and an imbalanced budget structure. The NDP is complemented by a number of **sector strategies**. The NDP ensures the mainstreaming of gender strategies into national policies and the inclusion of programmes aimed at protecting and promoting the rights of persons with disabilities. In October 2020, the Government of Prime Minister Al-Kadhimi put forward a White Paper for Structural Reform that provides an ambitious strategy for the transformation of the Iraqi economy. The Iraqi Economic Contact Group set up by the G7 in 2020 and currently co-chaired by the EU pro-actively encourages and monitors the implementation of the White Paper. In terms of the above mentioned national policy framework, the Action specifically supports the implementation of the National Migration Strategy (2020)¹⁴ and the National Returns Plans (2021) that sets the national policy framework for the reintegration of displaced populations, as well as the draft National Refugee law. At sectorial level, the Action supports the implementation of the White Paper on Economic Development 2020-2023; Private Sector Development Strategy 2014-2023, Decent Work Country Programme 2019-2023, Iraqi National TVET Strategy (2021-2030), the Strategy for Inclusive Education (2020) and the Education Enrolment Strategy (2020); as well as Iraq’s international commitments towards International Labour Organisation (ILO) Conventions and the respective national legislation¹⁵.

Complementarity, synergy and donor coordination

In the post-Da’esh transition, the international cooperation landscape in Iraq still encompasses humanitarian, stabilisation and development programmes. The humanitarian and stabilisation needs have attracted most of the international community’s attention. However, with increasing donor fatigue for Iraq and the resulting scarcity of funds, humanitarian and classical stabilisation through large-scale grant-funded infrastructure are phasing out. In 2022 there is a strong momentum for the international community to engage with the Government in a coherent, coordinated partnership to implement a broad reform agenda for sustainable development, structural reforms and durable solutions for displaced populations on the basis of Iraq’s new policies.

In light of this challenging yet changing context, the EU is concluding its shift from post-crisis recovery support to Iraq through Special Measures to long-term development programming through a dedicated MIP and AAPs. The Action is linked to the three priority areas of the MIP for Iraq 2021-2027¹⁶: i) Green Job creation and economic diversification; ii) Human development and social contract; and iii) Digital participatory governance and democracy.

¹³As laid out in the co-chairs declaration Article 43, the participants expressed their commitment “*maintaining a high level of support to Iraq in responding to the humanitarian needs resulting from years of conflict, widespread internal displacement and disrupted access to social services, as well as specifically from the Syrian conflict*”. https://www.consilium.europa.eu/media/56061/20220511_chair_statement_v5.pdf

¹⁴ The National Migration Strategy was prepared and endorsed with EU support in 2020 as the national policy framework to implement the Global Compact for Migration (GCM) in Iraq based on Iraq’s Migration Profile. The National Migration Strategy recognizes the EU-Iraq PCA as a key document and adopts a whole-of-government approach to migration management. It pursues four inter-linked objectives, notably to 1) develop migration governance and legal frameworks, including for improving migrants’ access to rights; 2) strengthen use and reporting of migration data; 3) fully integrate return, readmission and reintegration; 4) manage migration as a source of sustainable development.

¹⁵ This includes the Labour Act (No. 37), which guarantees equality between women and men and prohibits discrimination and sexual harassment in the workplace; and the Law No. 38 (2013) on the Care of Persons with Disabilities and Special Needs, which upholds the right to a full-time helper at the Government’s expense (art. 19) and the right to comprehensive educational integration (art. 15 (2) (a)) and which establishes a quota for the employment of persons with disabilities in the public and private sectors (art. 16) (Committee on the rights of persons with disabilities 2019).

¹⁶ https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9133-iraq-annex_en.pdf

The EU Delegation participates in all the different task forces as well as humanitarian and development coordination fora, and chairs some of the thematic and sectorial coordination groups, both at Ambassador and Head of Cooperation level. The EU Delegation organises and chairs regular development counsellors meetings, bringing together EU Member States and EU cooperation agencies. EU Member States active in the field of cooperation in Iraq include Belgium, Denmark, France, Germany, Italy, the Netherlands and Sweden, all currently revisiting their engagement for Iraq. The EU Delegation equally coordinates closely with the five member states forming the Team Europe Initiative. More recently, the EU Delegation has launched a political coordination group on return and readmission which complements the periodic coordination meetings with EU and Member States' migration implementation partners aimed at encouraging systematic information exchange on support and programmatic alignment.

This Action builds on and is fully complementary to EU actions in the field of migration and forced displacement implemented in Iraq, as well as with EU Member States' actions with whom a division of labour is in place and there is a pronounced interest of EU Member States to co-fund and co-implement the components of the Action¹⁷. A close collaboration is in place with all EU services operating in Iraq on the basis of the triple Nexus strategy for Iraq and concrete synergies with other EU interventions will be sought¹⁸ notably past and ongoing regional migration programmes and the Annual Action Programme 2021 "*Support to durable solutions for Iraq's displaced populations: integration into the national labour market and national systems for education and social protection*" as well as the EU Assistance Mission being implemented in the framework of the EU Common Security and Defence Policy.

More specifically, this Action's intervention for creating jobs for Iraq's IDPs, refugees, returnees from Europe/elsewhere and people at risk of irregular migration, including young people, is linked to priority area 2 of the TEI with its specific objectives of "*Supporting the creation and growth of business enterprises at all stages, including the ideation and formation stage, access to finance for starting and growing a business, and improving the entrepreneurial skills via exchange platforms and enterprise development centres*"¹⁹. The TEI and therefore the Action's contribution to the TEI can provide essential added value and respond to Iraq's interest in European best practice at the macro and micro socio-economic levels. The commitment of the EU's contribution to the TEI foreseen under this Action's component will be complemented by other contributions from Team Europe partners.

Equally, in the framework of the informal Team Europe approach established for coordinating the European engagement on migration, this Action is complementary to the support provided by the German Ministry of Economic Cooperation and Development (BMZ) through the German Centre for Jobs, migration and reintegration in Iraq (GMAC), funded through a global programme on migration for development. The GMAC offices are operated by the German Development Agency GIZ (Gesellschaft für Internationale Zusammenarbeit) and opened in Erbil in 2018 and in Baghdad in 2019. They serve as a central point of contact for people seeking a way forward in terms of employment opportunities and counselling. They target Iraqi returning migrants from Germany but the services are open to returnees from other Member States, IDPs and the whole Iraqi population. With regard to the Danish support, the Action will synergise with the project "Capacity building for long-term reintegration of returnees to Afghanistan and Iraq" (CAIR), implemented through the International Centre for Migration Policy Development (ICMPD), and with another Danish project currently in the pipeline on enhancing readmission and legal identity capacity (RELICA). The Action will further synergise with the Dutch provided support through the International Organisation for Migration (IOM) to pilot and upscale the National Referral Mechanism and enhance the operationalisation of objective 3 of the National Migration Strategy on return, readmission and re-integration.

¹⁷ EU Member States show a pronounced interest to co-fund parts of the Action. However, it is not confirmed at this stage: Specific Objective 1 (one MS), Specific Objective 2 – part of the TEI (three MS), Specific Objective 3 (two MS)

¹⁸ Ongoing INTPA programmes from the Annual Action Plan 2021 NDICI ASIA/2021/43-218 (basic education, social protection, job creation through green public works, migration governance [housing land property rights and civic ID]); Special Measure Mideast/2020/42-756 (social protection), Special Measure Mideast/2019/42-211 and 41-827 (jobs and labour governance), Special Measure Mideast/2015/37-769 (education), Special Measure MIGR/2017/40-584 (forced displacement); Ongoing NEAR programmes of the Regional Trust Fund for the response to the Syrian crisis, ongoing and future ECHO as well as FPI programmes.

¹⁹ Specific priority areas of the TEI for Iraq's future: 1) banking sector and access to finance (access to finance through formal financial intermediaries); 2) entrepreneurship and business development (including access to finance through non-financial intermediaries); 3) business and investment enabling environment.

Similarly, coordination will be sought with support currently provided by FRONTEX for reintegration through the European Technology and Training Centres (ETTC) across Iraq.

2.2 Problem Analysis

The Iraqi population, and in particular groups in vulnerable situations such as youth, women and children, as well as displaced populations (internally displaced persons, refugees) and returnees from Europe and elsewhere and their host communities, have been severely affected by a significant rise in poverty (from 20% in 2018 to an estimated 36% by 2021), an increase in the number of people in need of humanitarian assistance (2.5 million), and an increase in unemployment and underemployment in a country marked by a predominantly informal private sector. Risks of radicalisation are still present, especially among marginalised youth. Equally, conflict analysis suggests that an important risk factor for the social stability and social cohesion in Iraq is the lack of jobs for Iraq's youth which influences the irregular migration flows to Europe and elsewhere. The pending full re-integration of displaced people remains a key driver of conflict, a threat to Iraq's internal stability and security, as well as a driver for migration to Europe and elsewhere. In 2022, displacement affects a remaining 1.18 million internally displaced persons (less than 2% of the population) and an estimated 245,000 Syrian refugees, as well as growing numbers of Iraqi returnees. Following the sudden camp closures of 2020 in federal Iraq (54 closed camps, 2 remaining) it is estimated that only 180,000 Iraqi IDPs (out of 1.18 million IDPs) remain in displacements camps mostly in the Kurdistan autonomous region (25 camps) while 234,000 Iraqi IDPs are living in out-of-camp areas²⁰. The majority of Iraqi IDPs have returned to their communities of origin, sought to resettle elsewhere in Iraq, or found themselves in secondary displacement, and still face severe hardship. To this adds the prospect of eventual IDP and Syrian refugee camp closures in the Kurdistan autonomous region, as well as the long-term prospect of the repatriation of Iraqis from north-east-Syria.

As for Iraqi migration to Europe, almost 250,000 Iraqis live legally in the EU and around 25,000 new first resident permits are issued every year with an asylum recognition rate of 41% in 2021, including humanitarian protection. Irregular arrivals to the EU have generally declined in recent years to an average of 2000 Iraqis in 2020 but 2021 saw a new rise of 4,800 Iraqis due to the opening of the Belarus route. At the same time, Iraqi nationals are estimated to represent the second largest group of third-country nationals on the territory of EU Member States that have been issued a return order. It is estimated that in 2020 some 17,000 Iraqis were illegally residing in the European Union of which some 11,500 Iraqis have been ordered to leave and 2,200 where returned to Iraq. But the return rate has dropped from 25% to 19% between 2019 and 2020²¹. When it comes to Iraqi migration to and return from other countries, no reliable information is available.

The challenges of displaced populations (internally displaced persons, refugees) and returnees must also be considered against the backdrop of the tensions between state and society at large. Angry about a lack of employment opportunities, dysfunctional public services, corruption, and political elites beholden to foreign powers, Iraqis continue to take to the streets in Iraq since October 2019.

The Action supports the Iraqi authorities in addressing three main challenges facing the Iraqi population, and specifically returnees from Europe/elsewhere and displaced populations (IDPs, refugees), as well as people at risk of irregular migration and vulnerable groups in host and return communities: **1) reintegration governance system, 2) decent jobs, and 3) education and skills.**

With regards to the **reintegration governance structure**, the Iraqi government has a fragile governance system when it comes to the management, absorption capacity and integration of returning migrants and displaced populations. The fragility concerns various elements of the governance framework linked to the lack of migration data, a weak and fragmented referral system that is only focussed on referrals to international organisations (instead of referrals to national systems), gaps in inter-ministerial communication, a high number of government and non-government owned reintegration offices and services leading to confusing, overlapping and competing reintegration pathways. Similarly, the division of labour between respective Iraqi line ministries leading on the reintegration efforts, and unified understanding of mandates and responsibilities are missing. EU support is needed and requested by the authorities for creating the conditions for an integrated government-led and government-

²⁰ All numbers: UN OCHA Humanitarian bulletin May 2022

²¹ All data: DG HOME and Eurostat

owned return management framework, which may include upscaling the National Referral Mechanism at local and national level, support to the return/readmission case management systems and the implementation of the policy framework for migration data management. EU support is equally required for streamlining the reintegration and migration services within relevant ministries for example the Ministry of Migration and Displaced (MoMD) local offices (national referral mechanism) and MoLSA (Migrant Resource Centre), but also including those set-up by international partners such as the German Centres for Jobs Migration and Reintegration (GMAC), Community Resource Centres (notably through Norwegian Refugee Council (NRC), Danish Refugee Council (DRC), IOM, and the ETTC/European Technology and Training Centre (Frontex). To overcome fragmentation, duplication and resulting low service quality for IDPs, refugees and returnees, interventions should support the Iraqi authorities in rationalising these multiple centres and set-up a harmonised single entry-point for migrants, displaced persons and returnees by creating the needed capacity to transition and ultimately hand-over the management and coordination of these offices and services to relevant ministries (mainly MoMD and MoLSA) – thereby chiefly improving the service quality to the displaced persons in need of support while providing reliable information on legal migration opportunities and risks of illegal migration.

With regards to the **labour market**, the pronounced lack of decent work for youth, women and people in vulnerable situations including displaced persons and returnees, constitutes a significant challenge that risks further undermining the stability and social cohesion of the country. The lack of opportunities for Iraqi youth – as demonstrated by the proportion of youth not in education, employment or training (NEET) at 36.7% and for young women at 52.3% - also leads to irregular migration to European and other countries. Iraq must transition to an economy which can provide decent work for its young population including returnees and thereby address both the issue of migration and brain drain. A long-term development approach to the labour market must address the challenges of unemployment, under-employment, informality and unsafe working conditions against the backdrop of Iraq's demographic challenge of significant numbers of new labour market entrants per year. At the same time, Iraq's oil dependent economy remains vulnerable to climate change (another factor triggering climate change induced displacement and migration) which emphasises the need to accelerate the green and digital recovery. The formal labour market is dominated by the public sector while private sector employment is largely informal where protection is poor and job quality is low. Despite the decline in employment prospects in the public sector, employment in the private sector or starting a business is still not an attractive alternative for young Iraqis. At the same time, the private sector but also the digital economy are underdeveloped and thus poorly positioned to play their role as engine of decent work creation but also for sustainable economic development. In addition, the Iraqi financial sector is still unable to provide access to finance to the private sector, entrepreneurs and start-ups, with credits to the private sector rating at a mere 7% of GDP. Cyclical economic crises further compound the structural deficiencies of the labour market and the broader business climate. This translates into high unemployment rates and the situation for the Iraqi youth is particularly dire with an unemployment rate among youth in 2022²² at 35.8% and specifically among young women at 62.1%. Labour force participation in Iraq stands at 10.6% which is comparatively very low to the UMIC average of 55% but also the Middle East average of 19%. In addition, women are also more likely to become unemployed, under-employed or are employed in part-time jobs and there is a concentration of women in the informal sector and such women continue to be excluded from labour and social security protection, including pension benefits. Moreover, vulnerable populations such as IDPs, refugees and returnees from Europe/elsewhere require economic opportunities as they seek to rebuild their lives. EU action is needed and requested by the Iraqi authorities to create concrete opportunities for private sector led growth with focus on the green economy and the digital economy. Specifically support is required for improving job skills combined with career guidance and job placement services, while in parallel creating concrete job opportunities through business development, entrepreneurship/start-ups, and access to finance for male and female entrepreneurs in high potential sectors of the green and digital economy, and geographic areas of high return. In order to promote private sector employment in Iraq but also to attract the specific target group of returnees and displaced persons, the EU support needs to include a strong public awareness and outreach component, as well as establish a functioning coordination and referral mechanism with the return centres of the Ministry of Migration and the Ministry of Labour, local MoMD and MoLSA offices.

With regards to **Education**, the sector is suffering from a lack of public funding. Less than 6% of the national budget is spent on education and more than 90% of this represents operational expenses. As a result, Iraq's

²² ILO and Iraq National Statistics Organisation's National Labour Market Assessment of 2022 compared to ILO World Employment Report 2022

education sector is facing major constraints for access to education and quality of education. These challenges are affecting all education levels starting from early childhood education, to secondary education and up to higher education. Technical Education and Vocational Training (TVET) in particular is facing serious challenges. Formal TVET education is offered at secondary school level through some 400 TVET schools providing three-year training in some 30 specialisations managed by the Ministry of Education; and at higher education level with some 45 institutes and colleagues at polytechnic universities offering a two-year diploma course or a four-year bachelor degree managed by the Ministry of Higher Education. Enrolment rates in formal TVET institutions at secondary or higher education level is very low with only 70,000 Iraqi students (out of 10 million Iraqi students) deciding to pursue their secondary or higher education in TVET institutions. In addition to low enrolment in the TVET sector, the mismatch between the TVET offer and the needs of the labour market, the quality of training, curricula and learning environment remain concerning because they lead inter alia to subpar learning outcomes. The lack of funding for the TVET sector poses a constraint on modernization, adaptation to labour market needs as well as teaching capacity and quality, and is further compounded by the missing understanding of the potential of this type of education when it comes to the development of skills required by the labour market. Furthermore, the fragmentation of responsibilities for the formal TVET sector between the Ministry of Education (secondary education) and the Ministry of Higher Education (higher education) adds to the challenges of the sector. The certified short term skills trainings offered by the Ministry of Labour and Social Affairs vocational training centres and largely un-certified courses by non-governmental organisations compound the complexity. However, despite the challenges, there is a strong commitment from the national authorities to reform the TVET system in line with the national TVET strategy (2014-2023) and the joint efforts supported by the EU since 2011 show results with its focus on setting up the governance framework from strategy to legislation to management. But much remains to be done and EU support is required – notably directly in TVET schools and TVET institutes / colleges - to ensure that displaced populations and returnees from Europe and elsewhere as well as the Iraqi Youth benefit from formally recognized skills trainings that is aligned to the needs of the Iraqi labour market, benefit from job intermediation and ultimately find remunerated decent jobs.

Identification of main stakeholders and corresponding institutional and/or organisational issues to be covered by the action:

The main counterparts in the Government are the following:

- The Ministry of Planning (federal Iraq and Kurdistan Region of Iraq (KRI)) is the main government counterpart for international partners in Iraq and the national authority for development planning, but also for statistics through its Central Statistics Office. It is equally mandated to lead on private sector development including through the High Committee for Private Sector Development chaired by the Minister of Planning.
- The Prime Minister’s Office coordinates the implementation of the White Paper of Reforms across Government entities.
- The Ministry of Migration and Displacement coordinates the implementation of the Iraqi National Returns Plan, the National Migration Strategy, and sets the policy directions and implements the National Referral Mechanism. It coordinates humanitarian and reintegration support services with other Ministries.
- The Ministry of Foreign Affairs (KRI and Federal) oversees the return and reintegration files of Iraqi returnees from abroad.
- The Ministry of Labour and Social Affairs (MoLSA) (federal Iraq and KRI) regulates the national labour market but also labour migration, monitors the decent work provision in all sectors in Iraq, provides loans/grants for micro-business, but also manages social protection and social insurance schemes, as well as vocational training and job placement.
- The Ministry of Higher Education (federal Iraq and KRI), the Ministry of Education (federal Iraq and KRI) and the Prime Minister Advisory Committee (PMAC) set and oversee the implementation of education policies and strategies including resource management.
- The Central Bank of Iraq is the principal regulatory authority of the financial sector and authorised to set up loan mechanisms for Ministries, state and commercial banks to implement.
- The Women Empowerment Directorate at the Council of Ministers Secretariat that replaces the abolished Ministry of Women Affairs and that puts forward policy recommendations including for the gender units in Ministries.
- The Ministry of Interior (federal Iraq and KRI) is responsible for implementing national security screening and protecting international borders from unlawful entry of people and material; for identity management including the issue of passports, visas and approval for entry and deportation.

- The Joint Crisis Coordination Centre in KRI (sub-entity of the KRI Ministry of Interior) is responsible in KRI for coordinating with the federal Ministry of Migration and Displacement especially on camp management, return and reintegration angle in close coordination with the local branches of the federal Ministry of Migration.
- The Central Statistics Organization and Kurdistan Regional Statistics Office are responsible for collecting, processing and analysing national statistics, including migration data.
- The Ministry of Health (federal Iraq and KRI) oversees the provision of psycho-social support and referrals.
- The Ministry of Justice and the State Council (federal Iraq and KRI) are responsible for legal review of agreements and legislation.

Local and regional authorities in areas most affected by displacement and return will also be key stakeholders of this action, as coordination with these actors will ensure buy-in, legitimacy and sustainability. This includes for all above mentioned decentralised Ministries under Law 21, the General Directorates at governorate level, whose capacities especially in those areas particularly affected by displacement will be strengthened to more effectively manage the delegated powers at Governorate and local levels. Key stakeholder are equally communities and the civil society, including women's organisations, organisations representing the rights of persons with disabilities, worker and employment representative organisations, chambers of commerce and business unions. Together with Teachers' Unions, parent teachers' associations, and academia, these will be key actors in the social dialogue and benefit from capacity building, together with representatives of the private sector, including micro, small and medium entrepreneurs, microfinance institutions, emerging FinTechs, financial institutions (national, regional, international).

This Action will benefit people in Iraq, specifically target groups in vulnerable situations such as returnees from Europe/elsewhere, displaced populations including Iraqi IDPs and Syrian refugees. It will also benefit Iraqi youth, women and children in vulnerable situations, and persons with disabilities.

All these key stakeholders, including equally international partners, will be strongly associated throughout the whole process of this Action. Existing coordination platforms dedicated to the specific sectors, durable solutions and gender coordination will be prioritised.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective (Impact) of this Action** is: to contribute to the sustainable and dignified reintegration of returnees and displaced populations and to address the root causes of fragility and irregular migration among vulnerable segments of the Iraqi population, especially youth and women.

The Specific Objectives of this action are:

1. Enhancing the effectiveness of the partner country in addressing migration and/or forced displacement challenges, and enhancing ownership of migration related processes identified and agreed in migration partnerships with the EU.²³
2. Enhancing the opportunities and reducing the root causes of irregular migration for displaced persons (IDPs, refugees) and returnees from Europe/elsewhere, youth, and women in business innovation, financial services and entrepreneurship, including on sustainable and digital solutions in the green economy.²⁴
3. Enhancing the opportunities and reducing of the root causes of irregular migration for displaced persons (IDPs, refugees) and returnees from Europe/elsewhere, youth, and women in the labour market with

²³ RIP priority area 3 expected result 3.1

²⁴ MIP Expected result 1.1.3

technical and soft – including green and digital – skills acquired by beneficiaries of EU-supported VET, including for persons living in vulnerable situations, such as persons with disabilities.²⁵

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives are:

- 1.1 Enhanced national capacity in developing and implementing sustainable, efficient, harmonized migration and return/reintegration policies, strategies and legislation.
- 1.2 Enhanced operational capacity of the government to steer and operate the migration and return/reintegration governance systems including an effective system for return/reintegration counselling and referral.
- 2.1 Increased access to green and digital business development services for displaced persons (IDPs, refugees) and returnees, as well as people at risk of irregular migration and the unemployed, jobseekers and existing businesses, including those headed by youth, women and persons living in vulnerable situations, such as persons with disabilities.²⁶
- 2.2 Strengthened entrepreneurship, export competitiveness and investment promotion skills with a focus on green and digital businesses among displaced persons (IDPs, refugees) and returnees, as well as people at risk of irregular migration and the unemployed, jobseekers and existing businesses, including among youth, women and persons in vulnerable situations, such as persons with disabilities.²⁷
- 2.3 Increased access to credit and other financial services for displaced persons (IDPs, refugees) and returnees, as well as people at risk of irregular migration and self-employed individuals, micro and small firms – including those headed by youth, women and persons living in vulnerable situations, such as persons with disabilities²⁸.
- 3.1 Strengthened capacity of TVET providers to offer inclusive access and quality services including for displaced persons (IDPs, refugees) and returnees that respond to labour market needs, including for digital and green transitions.²⁹
- 3.2 Increased availability of curricula, teaching and learning material appropriate to and compatible with learners' context, age, language, and development levels, including for displaced persons (IDPs, refugees) and returnees.³⁰
- 3.3 Improved policies and regulations relating to technical, vocational education and training, including identifying labour needs for TVET focussed on promote skills and employability including for displaced persons (IDPs, refugees) and returnees.³¹

3.2 Indicative Activities

Activities related to Output 1.1 to 1.3 may include:

- Technical assistance for the review, adaptation, adoption and implementation of the legislative and strategic framework of the displacement, return and reintegration governance system. This foundational work includes the creation of a comprehensive and agreed understanding on the respective roles and responsibilities of all governance/state institutions and a detailed functional and capacity assessment of the respective involved ministerial departments.
- Capacity strengthening of relevant line ministries for reviewing, streamlining and applying return and reintegration procedures, for ensuring monitoring mechanism for compliance with the regulations at local level, and for improving returnees and refugees access to services; Strengthening operational and technical capacity of mandated central and local ministry directorates starting with locations with highest numbers of displaced persons (IDPs, refugees, returnees from Europe/elsewhere).

²⁵ CAP4DEV results chain Employment and TVET outcome 8

²⁶ CAP4DEV Employment and TVET results chain output 5 adapted

²⁷ CAP4DEV Employment and TVET results chain output 6 adapted

²⁸ CAP4DEV Employment and TVET results chain output 4 adapted

²⁹ CAP4DEV Employment and TVET results chain output 11 adapted

³⁰ CAP4DEV Education results chain output 5 adapted

³¹ CAP4DEV Business Environment Reform Education results chain output 10 adapted

- Fostering the role of Iraqi civil society and local communities in elevating needs of the target groups to the local authorities, with a special focus on governorates of return, including on awareness raising on legal pathways of migration and the dangers of irregular migration.
- Support to service delivery of the relevant offices and centres notably the streamlining and improvement of the service offer related to referrals and direct reintegration support, notably in the areas of displacement and returns.

Activities related to Outputs 2.1 to 2.3 may include:

- Technical assistance for the review, adaptation, adoption and implementation of the legislative and strategic framework for access to finance, private sector development and the business enabling environment in the green and digital economy; to support the development of active labour market policies and approaches for displaced persons (IDPs, refugees) and returnees, youth, women and persons with disabilities;
- Capacity strengthening for entrepreneurs, start-ups, existing MSMEs notably in the green and digital economy through business incubators, business accelerators, business development programmes as well as specialized centres and hubs for displaced persons (IDPs, refugees), returnees, as well as youth, women and persons with disabilities; this includes equally the provision of short-term training on business-relevant soft skills and digital skills, career guidance and job placements; this includes support for climate change mitigation and adaptation of businesses; this includes support to national authorities for upscaling and implementing their MSME grant and loan programmes to foster Government ownership.
- Fostering the role of Iraqi civil society, private sector and local communities notably establishing close collaborations with and supporting chambers of commerce, business associations, federations of industries as well as worker associations.
- Support to service delivery including through the provision of access to finance for green and digital (but not limited to) businesses through non-financial and financial intermediaries for displaced persons (IDPs, refugees), returnees and youth, women and persons with disabilities.

Activities related to Output 3.1 to 3.3 may include:

- Technical assistance for the development and the implementation of the national policies and strategic documents (National Education Strategy and National TVET Strategy) with special focus on access for displaced persons (IDPs, refugees) returnees, and youth, women and persons with disabilities.
- Capacity strengthening of national TVET institutions' teachers, trainers and administrators on modern teaching methodologies for TVET to ensure sustainability. Capacity building programmes may include the provision of competency-based training on relevant labour market occupations including in the green economy (climate smart agriculture and climate smart construction), the digital economy (Information and Communications Technology), as well as tourism and hospitality.
- Fostering the role of civil society, communities as well as private sector and trade unions in the TVET education process through the establishment and improvement of sectorial councils representative equally of displaced persons (IDPs, refugees) returnees, and youth, women and persons with disabilities.
- Support to service delivery including by enhancing TVET institutions' capacities for the provision of quality teaching, as well as modernization of the learning environment, and referral systems, notably in the areas of displacement and returns.

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

This action provides a direct response to the growth priorities of Iraq by supporting private sector development, job creation for women and youth and diversification of the economy. The support of the project will be focused on business development, including training and education, related to the development of the businesses in the green and digital sectors which will contribute to the promotion of green and sustainable economic diversification through private sector development. The support offer will take into account the creation of decent jobs and increased productive capacity in more environmentally friendly production cycles with potential for development and sustainable production and consumption patterns.

Education plays a paramount role in raising awareness and promoting behavioural change for environment and climate change mitigation and adaption. It helps to increase resilience and adaptation capacity of communities by enabling individuals to make informed decisions. In this regard, the proposed Action will promote innovative ways of thinking and problem solving to equip young people with knowledge, skills, and habits that will build their capability to cope over time with the challenges that define our era: global warming, integrity of ecosystems, social justice, sustainable food systems, and biodiversity.

At the same time, the support will also be directed towards the implementation of the external component of the European Green Deal as this will increase Iraq's resilience to climate change and contribute to ecosystem preservation.

Outcomes of the Strategic Environmental Assessment (SEA) screening (relevant for budget support and strategic-level interventions)

SEA screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA screening classified the action as Category C (no need for further assessment).

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project) The CRA screening concluded that for this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that promoting gender equality in service provision across all three priority areas is an important and deliberate objective of the Action. The inclusion of women and girls will be particularly ensured in the activities of this Action. Gender equality in access to quality services as well as the adaptation of services to the needs of female beneficiaries will be pro-actively advanced through this action. Displaced persons (IDPs, refugees and returnees), women and girls in general are at the centre of this Action, with interventions seeking to involve and engage them as much as possible considering the growing young population of Iraq and their contribution to the sustainable development of Iraq. The action will produce gender analysis when needed, as well as sex-disaggregated data when available and it will monitor and evaluate the results of the gender sensitive indicators. In this sense, the Action is fully aligned with the forthcoming implementation plan for Iraq under the EU Gender Action Plan III for 2021-2024³².

Human Rights

This Action is based on the implementation plan for Iraq under the EU Action Plan on Human Rights and Democracy (2021-2024)³³, applicable human rights covenants and the international conventions such as the ILO Conventions and applicable UN frameworks. The Action takes a rights-based approach putting economic, social, civic rights at the forefront, focusing specifically on safeguarding and promoting the rights of women and children, displaced persons, minorities, persons with disabilities and workers in the informal sector and/or in informal work situations. The action will adopt a human rights-based approach by focusing on capacity building of the duty-bearers and the rights holders and by fostering the working principles of applying human rights for all.

³² Joint Communication on the EU Gender Action Plan III from November 2020, JOIN (2020) 17. Source: https://ec.europa.eu/international-partnerships/system/files/join-2020-17-final_en.pdf

³³ Joint Communication on the EU Action Plan on Human Rights and Democracy 2020-2024, JOIN (2020) 7. Source: https://eur-lex.europa.eu/resource.html?uri=cellar:e9112a36-6e95-11ea-b735-01aa75ed71a1.0002.02/DOC_3&format=PDF

Disability

As per OECD Disability DAC codes identified in section 1.1, this Action is labelled as D1. This implies that disabled persons will be an important beneficiary group of all projects of this action. Access to quality services for disabled persons as well as the adaptation of services to the needs of disabled beneficiaries will be pro-actively advanced through this action.

Democracy

The focus of this Action is on improving governance across all four intervention areas and thereby contributing to addressing Iraq's notoriously weak governance, widespread corruption and a lack of accountability and oversight. This will contribute to increasing the compromised legitimacy of the state. At the same time, effective service delivery and the integration of displaced populations will contribute to improving social cohesion. Supporting the Iraqi authorities' capacity to durable solutions for displaced populations is crucial to advance reconciliation and stabilisation.

Conflict sensitivity, peace and resilience

Conflict sensitivity and a people-centred approach underpin this Action, addressing the root causes of conflicts while social cohesion is mainstreamed throughout. Equally, the Action centrally builds on the findings of the conflict analysis screening for Iraq that identified underlying conflict drivers/triggers and provided a series of recommendations for conflict sensitivity and identified specific peace-building opportunities.

In terms of peace-building opportunities, this Action directly contributes to four objectives, notably *Support genuine reforms by focusing on the most promising change agents and bridging short-term conflict resolution with long-term governance efforts; Accompany dialogue efforts at different levels; Work with the education system to promote inclusive citizenship; Further areas for peacebuilding engagements* – specifically *Empower women and Promote inclusive social and labour protection*. All relevant recommendations for conflict sensitivity mitigation measures relating to the themes of *Reinforcing a highly corrupt, underperforming, contested political system; Exacerbating inter-group rivalries; Fuelling the negative perception of international support to Iraq; Sector- and action-specific risks* are taken into account for this Action and will be fully integrated into the design of the programmes.

Disaster Risk Reduction

The action aims to improve the shock resilience of national systems and thus contributes to disaster risk reduction. The Action specifically aims to improve the shock-responsiveness and the ability of the Iraqi migration governance mechanisms, labour market, and education system to expand and taper assistance in response to the onset and abatement of crises for the systems to be equipped with tools and capacity to assess needs and expand the coverage as crises such as climate change, conflict or disasters occur.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High / Medium / Low)	Impact (High / Medium / Low)	Mitigating measures
External environment	Risk 1: <i>A worsening security situation</i>	High	Medium	Political dialogue by the EU (including EUAM) and EU Member States.
	Risk 2: <i>An increasingly unstable political situation</i>	High	Medium	Political dialogue / support to elections by the EU and EU Member States.
	Risk 3: <i>Endemic corruption in Government Public Finances</i>	High	Low	Indirect management modality with pillar-assessed organisations reduces fiduciary risk. Public Finance Management (PFM) projects provide reform support.
	Risk 4: <i>Increased geographic access constraints for partners and Civil Society</i>	Medium	High	Political outreach by the EU, EU Member States; Choice of implementation partners; Continued strong advocacy.

	Risk 5: <i>Increased resistance to return and reintegration at political and population level</i>	Medium	High	Pro-active political outreach, strong coordination and continued policy dialogue.
	Risk 6: <i>Inability to identify returnees due to a lack of information</i>	High	Medium	Pro-active engagement of EU Member States, DG HOME, FRONTEX.
	Risk 7: <i>Policy interlocutors become difficult to engage with. Reform momentum weakens</i>	Medium	Medium	Political economy analyses to underpin programmes. Pro-active engagement in policy dialogue in collaboration with partners.
	Risk 8: <i>Poor Government ownership risking the sustainability of interventions.</i>	Medium	High	Work with Government stakeholders for reform of the national systems through a fully Government led approach.
	Risk 9: <i>Weak capacities of implementing partners and their contracted service providers</i>	Low	High	Choice of implementing partner; regular monitoring, assessment and evaluation of the quality of services provided.
	Risk 9: <i>Resistance to include a gender approach.</i>	Low	High	Awareness-raising sessions, gender data and analysis.

Assumptions:

- No additional external factors affecting returns and integration of displaced populations, recovery and social stability;
- National and local security situation allows for safe implementation on the ground;
- National and local authorities' support, full engagement and ownership continue;
- Favourable government displacement, governance, macro-economic and fiscal policies;
- Public employment schemes are effectively introduced and can be extended country-wide, benefitting from concurrent partner programmes;
- The migration governance, job and TVET education systems are ready to absorb the project's support and allow for policy/management reforms, as well as improvements in terms of delivered services and infrastructures.

Lessons Learnt:

Lessons learnt from the past and ongoing engagement stress that the EU needs to maintain a prominent leading role, actively engaging in political dialogue and using its joint leverage, thereby accompanying its programmes with pro-active outreach to relevant political, religious and tribal actors at federal and local level in order to create buy-in and overcome obstacles. Pro-active and constant policy dialogue with the government at decision-maker and technical level, at federal and local level, is required to ensure that EU interventions support priority-setting, policy development and their implementation, as well as create the much-needed space for Civil Society to engage at policy level. Direct work and coordination with Government institutions at federal and local level as well as civil society is indispensable to ensure sustainability of EU interventions. At the same time, constantly ensuring adequate EU visibility is paramount. Equally and specifically to the thematic area of human and social development, it is crucial to strike a flexible balance between governance interventions and direct piloting of service provision approaches, adapting the balance to the changing country context and the space for governance reforms.

3.5 The Intervention Logic

Against a backdrop of political pressure to end Iraq's displacement crisis as well as support the re-integration of returnees from Europe and elsewhere to advance towards an agreement on non-voluntary returns between Iraq and the European Union, it is ever more urgent to create the conditions for Iraqi youth to remain in Iraq and displaced populations (IDPs, refugees and returnees) to find decent employment opportunities, benefit from skills development and a functioning migration governance in Iraq. Furthermore, the protracted situation of displacement, returns and departures spread across all 17 Iraqi Governorates, raises the need to support national systems in a country-wide approach focusing on the most heavily affected Governorates. This ensures the sustainability of EU efforts in line with the durable solutions agenda and promotes the transition away from humanitarian assistance for displaced populations to a long-term and sustainable development approach. The Action intends to create the conditions for the re-integration of displacement-affected populations (IDPs, refugees and returnees from Europe and elsewhere) into a reformed national labour market and reformed national systems for technical and vocational education, as well enable displaced populations to seize their legal and civic rights, thereby also sustainably addressing root causes of fragility and displacement. The Action directly targets displaced persons (IDPs, refugees and returnees), with a particular focus on youth and women supporting their civil and socio-economic rights. The Action aims to improve the shock resilience of national systems to cope with crises, also in the long-term. Considering the growing youth population of Iraq, their potential for contributing to sustainable development, but also the fact that primarily young Iraqis migrate

to and return from Europe, youth is at the centre of the action. Digitalisation and the green recovery are specifically addressed throughout, including activities for specialised long-term TVET courses on Information and Communication Technology, climate smart agriculture and construction, as well as the support of business development in the green economy and digital economy. Communities and civil society are fully recognised as key stakeholders of this and will be fully associated throughout the whole process of this Action, as continuous policy dialogue and coordination with these actors will ensure buy-in, legitimacy and sustainability. The Action has been designed with sustainability at its core. It capitalises and builds on prior and ongoing EU interventions in cooperation with national authorities, as well as benefits from the intention of EU Member States to co-fund and co-implement (further Team Europe support and follow-up are encouraged), and is in line with the partner country's priorities. It aims to place the Iraqi people's needs at the centre of policy decisions and reforms efforts. In light of the ambition to support the creation of a social contract, building human and social capital, the Action focuses on mutually reinforcing interventions, maximising innovation, fostering synergies and engaging communities and civil society as well as leveraging private investment.

The underlying intervention logic for this action is that:

IF the activities of technical assistance, capacity strengthening, support to service delivery and for fostering the role of communities and civil society are undertaken in each of the three thematic areas, addressing the needs and interests of the target groups *AND* the assumptions regarding absorption capacities of national systems in the three thematic areas hold true, *THEN* the Outputs relating to improved governance and management, improved access to services especially for those in the most vulnerable situations, and improved delivery and quality of services in each of the three thematic areas (outputs 1.1 to 3.3) will be produced. *IF* the Outputs relating to improved governance and management, improved access to services especially for those in the most vulnerable situations, and improved delivery and quality of services in each of the three thematic areas are delivered (outputs 1.1 to 3.3) *AND* the assumptions at the level of Outputs regarding favourable government displacement, governance, macro-economic and fiscal policies hold true, *THEN* the Outcomes relating to functional migration and reintegration governance (outcome 1), the creation of decent jobs and business development in the green and digital economy (outcome 2), as well as improved quality and equality of national TVET education systems (outcome 3), will be realised, *BECAUSE* past experience with EU programmes in these specific thematic areas suggest that this change is possible. *IF* the Outcomes relating to the improved migration and reintegration governance (outcome 1), the creation of decent jobs and business development in the green and digital economy (outcome 2), and improved quality and equality of national TVET education systems (outcome 3) are achieved *AND* the assumptions at this level regarding external factors, the security situation and authorities' full engagement and ownership hold true, *THEN* the action will contribute to the desired Impact of having contributed to creating the conditions for the sustainable dignified (re)integration of returnees and displaced populations and to addressing the root causes for irregular migration among vulnerable segments of the Iraqi population, especially youth and women. This is *BECAUSE* of the momentum for durable solutions to the displacement crisis and for integrating returnees and displaced populations (IDPs, refugees), as well as the joint action of the EU and EU Member States.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action. The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To contribute to the sustainable dignified reintegration of returnees and displaced populations and to address the root causes of fragility and irregular migration among vulnerable segments of the Iraqi population, especially youth and women	1. Number of migrants, forcibly displaced people or individuals from host communities protected or assisted with EU support (OPSYS core indicator)	1. 2022: 0	1. 2027: to be determined during inception phase	1. Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Not applicable
		2. Percentage of displaced persons living below the national poverty line, compared to the national average, disaggregated by sex, age group, rural/urban (OPSYS core indicator)	2. 2022: to be determined during inception phase	2. 2027: to be determined during inception phase	2. National Household Survey	
		3. Unemployment rate of displaced persons compared to the resident/host communities, disaggregated by sex, age group, disability status (OPSYS core indicator)	3. 2022: to be determined during inception phase	3. 2027: to be determined during inception phase	3. National Labour Market Survey	
		4. Percentage of participation of displaced youth and adults in formal and non-formal education and training in the previous 12 months, compared to the national average, disaggregated by sex, age group, rural/urban, income level, type of education (formal/informal) (OPSYS core indicator)	4. 2022: to be determined during inception phase	4. 2027: to be determined during inception phase	4. National Household Survey	

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Outcome 1	Enhancing the effectiveness of the partner country in addressing migration and/or forced displacement challenges, and enhancing ownership of related processes identified and agreed in migration partnerships with the EU. (RIP priority area 3 expected result 3.1 adapted)	1.1 Evolution of the capacity of competent authorities of Iraq in migration management in line with international standards (MIP indicator 3.2.3E)*	1.1 2022: weak fragmented capacity	1.1 2027: to be determined during inception phase	1.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	No additional external factors affecting returns and integration of displaced populations, recovery and social stability; National and local security situation allows for safe implementation;
		1.2 Number of irregular migrants returned/readmitted with EU support (MIP indicator 3.2.3F)*	1.2 2022: to be determined during inception phase	1.2 2027: to be determined during inception phase	1.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	
		1.3 Percentage of IDPs who integrate locally in their host community or area, out of the total number of IDPs, disaggregated by sex and age group (CAP4DEV)	1.3 2022: to be determined during inception phase	1.3 2022: to be determined during inception phase	1.3 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	
Outcome 2	Enhancing the opportunities and reducing the root causes of irregular migration for displaced persons (IDPs, refugees) and returnees from Europe/elsewhere, youth, and women in business innovation, financial services and entrepreneurship, including on sustainable and digital solutions in the green economy. (MIP Expected result 1.1.3 adapted)	2.1A Number of (a) jobs supported, by the EU (GERF 2.13)	2.1 2022:0	2.1 2027: to be determined during inception phase	2.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	(continued from here above) Favourable government displacement, governance, macro-economic and fiscal policies;
		2.1B Number of (b) green jobs supported/sustained by the EU (GERF 2.13)				
		2.2 Number of target beneficiaries (resident/host communities and displaced persons) gainfully (self)employed, disaggregated by sex, migration status and age group (OPSYS core indicator)	2.2 2022: to be determined during inception phase	2.2 2027: to be determined during inception phase	2.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Adequate allocations to the sector in the national budget.
		2.3 Number of beneficiaries with access to financial services with EU support: (a) firms (GERF 2.17 , MIP indicator 1.1.3B)* Number of beneficiaries with access to financial services with EU support: (b) people (all financial	2.3 2022: to be determined during inception phase	2.3 2027: to be determined during inception phase	2.3 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
		services) disaggregated by sex, migration status and age group (GERF 2.17 , MIP indicator 1.1.3B) * Number of beneficiaries with access to financial services with EU support: (c) people (digital financial services) disaggregated by sex, migration status and age group (GERF 2.17 , MIP indicator 1.1.3B) *				
Outcome 3	Enhancing the opportunities and reducing of the root causes of irregular migration for displaced persons (IDPs, refugees) and returnees from Europe/elsewhere, youth, and women in the labour market with technical and soft – including green and digital – skills acquired by beneficiaries of EU-supported VET, including for persons living in vulnerable situations, such as persons with disabilities. (CAP4DEV results chain Employment and TVET outcome 8 adapted)	3.1 Number of beneficiaries receiving a certification having successfully completed a VET programme designed / implemented with EU support, disaggregated by sex, age, disability status, migration status and sector (green, digital, others) (Number) (CAP4DEV)	3.1 2021 0	3.1 2027: to be determined during inception phase	3.1 Database of training participants with certification results	(continued from here above) National and local authorities' support, full engagement and ownership continue;
		3.2 Percentage of beneficiaries who self-report improvement in their soft skills by attending EU-supported VET interventions, disaggregated by sex, disability status, migration status and age (Percentage) (CAP4DEV)	3.2 2021: 0	3.2 2027: to be determined during inception phase	3.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Favourable government displacement, governance, macro-economic and fiscal policies;
		3.3A Number of students enrolled in education with EU support: b) secondary education, disaggregated by sex, migration status and age group (GERF 2.36 and MIP indicator 2.1.1A adapted)*	3.3 2022: 0	3.3: 2027: to be determined during inception phase	3.2: Baseline and endline surveys conducted and budgeted by the EU-funded intervention	
		3.3B Number of students enrolled in education with EU support c) tertiary education, disaggregated by sex, migration status and age group (GERF 2.36 and MIP indicator 2.1.1A adapted)*				

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 1 relating to Outcome 1	1.1 Enhanced national capacity in developing and implementing sustainable, efficient, harmonized migration and return/reintegration policies, and strategies and legislation.	1.1.1A Number of migration management or forced displacement strategies or policies a) developed/revised with EU support (GERF 2.21, MIP indicator 3.2.1A, OPSYS core indicator)*	1.1.1 2022: 4 roadmaps linked to the national migration strategy	1.1.1 2027: to be determined during inception phase	1.1.1 EU intervention monitoring and reporting systems	Absorption capacities of national systems in the sector.
		1.1.1B Number of migration management or forced displacement strategies or policies b) under implementation with EU support (GERF 2.21, MIP indicator 3.2.1A, OPSYS core indicator)*				
		1.1.2 Status of availability of quantitative and qualitative data provided by the EU-funded intervention on the impact of the displacement situation, e.g. with regard to perspectives for solutions, protection, basic services, housing, employment, and environment (CAP4DEV)	1.1.2 2022: to be determined during inception phase	1.1.2 2027: to be determined during inception phase	1.1.2 EU intervention monitoring and reporting systems	
Output 2 relating to Outcome 1	1.2 Enhanced operational capacity of the government to steer and operate the migration and return / reintegration governance systems including an effective system for return / reintegration counselling and referral	1.2.1 Level of technical and practical knowledge of trained officials on migration, displacement and returnee related international standards, the rights-based approach and good practices for inclusive fair management (MIP indicator 3.2.3D)*	1.2.1 2022: weak	1.2.1 2027: to be determined during inception phase	1.2.1 EU intervention monitoring and reporting systems	Absorption capacities of national systems in the sector.
		1.2.2.A Number of migrants, including returnees, refugees, IDPs, (potential) victims of trafficking in human beings or individuals from host communities protected or assisted with EU support (NDICI programming indicator related to migration)	1.2.2 2022: 315	1.2.2 2027: to be determined during inception phase	1.2.2 EU intervention monitoring and reporting systems	

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Output 1 relating to Outcome 2	2.1 Increased access to green and digital business development services for displaced persons (IDPs, refugees) and returnees, as well as people at risk of irregular migration and the unemployed, jobseekers and existing businesses, including those headed by youth, women and persons living in vulnerable situations, such as persons with disabilities (CAP4DEV employment and TVET results chain output 5 adapted)	2.1.1 Number of self-employed individuals and owners of micro and small firms benefiting from business development services, disaggregated by sex, age, disability status and type of business development services received (digital development services, Sustainable Consumption and Production services, or other) with support of the EU-funded intervention (OPSYS core indicator)	2.1.1 2022: 0	2.1.1 2027: to be determined during inception phase	2.1.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Absorption capacities of national systems in the sector and of the private sector stakeholders.
		2.1.2 Number of business incubators with inclusion-sensitive active mechanism established / modernized with EU support , disaggregated by sex, disability status, age, migration status (CAP4DEV)	2.1.2 2022: 0	2.1.2 2027: to be determined during inception phase	2.1.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	
Output 2 relating to Outcome 2	2.2 Strengthened entrepreneurship, export competitiveness and investment promotion skills with a focus on green and digital businesses among displaced persons (IDPs, refugees) and returnees, as well as people at risk of irregular migration and the unemployed, jobseekers and existing businesses, , including among youth, women and persons in vulnerable situations, such as persons with disabilities (CAP4DEV Employment and TVET results chain output 6 adapted)	2.2.1 Number of individuals trained by the EU-funded intervention with increased knowledge and/or skills for entrepreneurship or financial education, disaggregated by sex, population group, disability status, migration status, employment status, age (OPSYS core indicator)	2.2.1 2022: 0	2.2.1 2027: to be determined during inception phase	2.2.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Absorption capacities of national systems in the sector and of the private sector stakeholders.
		2.2.2 Percentage of individuals who completed the EU-funded entrepreneurship or financial education training programme in which they enrolled, disaggregated by sex, ethnicity, disability status, migration status, employment status, age (CAP4DEV)	2.2.2 2022: 0	2.2.1 2027: to be determined during inception phase	2.2.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	
Output 3 Relating to Outcome 2	2.3 Increased access to credit and other financial services for displaced persons (IDPs, refugees) and returnees, as well as people at risk of irregular	2.3.1 Volume of new loans made available to financial intermediaries (e.g. banks, microfinance institutions, funds), disaggregated by sex, age (15-30 years) and regions (OPSYS core	2.3.1 2022: to be determined during inception phase	2.3.1 2027: to be determined during inception phase	2.3.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Absorption capacities of national systems in the

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
	migration and self-employed individuals, micro and small firms – including those headed by youth, women and persons living in vulnerable situations, such as persons with disabilities (CAP4DEV Employment and TVET results chain output 4 adapted)	indicator) (currency) (OPSYS core indicator) 2.3.2A Average length of new loans provided to firms supported by the programme (Number of months) (CAP4DEV) 2.3.2B Value of new loans provided to [*individuals/firms] resulting from programme support disaggregated by age, sex, rural/urban and other relevant groups (Currency) (CAP4DEV)				sector and of the private sector stakeholders.
Output 1 relating to Outcome 3	3.1 Strengthened capacity of TVET providers to offer inclusive access and quality services including for displaced persons (IDPs, refugees) and returnees that respond to labour market needs, including for digital and green transitions (CAP4DEV Employment and TVET results chain output 11 adapted)	3.1.1 Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU: (a) all VET/skills development, (OPSYS core indicator / GERF 2.14) Number of people who have benefited from institution or workplace based VET/skills development interventions supported by the EU: (b) only VET/skills development for digitalisation (OPSYS core indicator / GERF 2.14)	3.1.1 2022: 0	3.1.1 2027: to be determined during inception phase	2.3.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Absorption capacities of national systems in the sector and of the private sector stakeholders.
		3.1.2 Number of representatives of the VET providers, government and social partners trained by the EU-funded intervention with increased knowledge and/or skills on labour market oriented governance of VET systems, disaggregated by sex and type of organisation (VET provider,	3.1.2 2022: 0	3.1.2 2027: to be determined during inception phase	3.1.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
		government, social partner) (CAP4DEV)				
Output 2 relating to Outcome 3	3.2 Increased availability of curricula, teaching and learning material appropriate to and compatible with learners' context, age, language, and development levels, including for displaced persons (IDPs, refugees) and returnees (CAP4DEV Education results chain output 5 adapted)	3.2.1 Extent to which EU-funded intervention contributed to revision national education curricula (Qualitative) (CAP4DEV)	3.2.1 2022: to be determined during inception phase	3.2.1 2027: to be determined during inception phase	3.2.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Absorption capacities of national systems in the sector and of the private sector stakeholders.
		3.2.2 Number of schools equipped with innovative pedagogic equipment with support of the EU-funded intervention (CAP4DEV)	3.2.2 2022: 0	3.2.2 2027: to be determined during inception phase	3.2.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	
Output 3 relating to Outcome 3	3.3 Improved policies and regulations relating to technical, vocational education and training, including identifying labour needs for TVET focussed on promote skills and employability including for displaced persons (IDPs, refugees) and returnees (CAP4DEV Business Environment Reform Education results chain output 10 adapted)	3.3.1 Number of sectoral skills needs assessments conducted with EU support (Number) (CAP4DEV)	3.3.1 2022: to be determined during inception phase	3.3.1 2027: to be determined during inception phase	3.3.1 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	Absorption capacities of national systems in the sector and of the private sector stakeholders.
		3.3.2 Number of VET plans/programmes jointly revised or drafted by education regulators, VET institutions and social partners (employers' and workers' organisations) with support of the EU-funded intervention and adopted (OPSYS core indicator)	3.3.2 2022: 0	3.3.2 2027: to be determined during inception phase	3.3.2 Baseline and endline surveys conducted and budgeted by the EU-funded intervention	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1 Indirect Management with a pillar assessed entity

4.3.1.1 A part of this action may be implemented in indirect management with entities, which will be selected by the Commission's services using the following criteria: specific mandate, technical and operational competence, ongoing experience in Iraq and longstanding partnership in migration governance interventions with the EU and/or EU member states in Iraq. The implementation by these entities entails migration governance interventions related to specific objective 1 and its related outputs.

4.3.1.2 A part of this action may be implemented in indirect management with entities, which will be selected by the Commission's services using the following criteria: specific mandate, technical and operational competence, ongoing experience in Iraq and longstanding partnership in job creation, private sector development and access to finance interventions with the EU in Iraq. The implementation by this entity entails economic governance, business development and skills interventions, and the facilitation of employment creation related to specific objective 2 and its related outputs.

4.3.1.3 A part of this action may be implemented in indirect management with entities, which will be selected by the Commission's services using the following criteria: specific mandate, technical and operational competence, ongoing experience in Iraq and longstanding partnership in TVET sector interventions in Iraq. The implementation by these entities entails TVET sector interventions, and the facilitation of access to quality skills development related to specific objective 3 and its related outputs.

4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If the implementation modality in indirect management cannot be implemented due to circumstances outside of the Commission's control, a change from indirect management in section 4.3.1 to direct management (procurement) shall be used for achieving specific objectives 1, 2, and 3.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions. The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf section 4.3	
Specific objective 1 <i>Capacities of partner country to cooperate on and address migration and/or forced displacement challenges, and enhance ownership of migration related processes identified and agreed in migration partnerships with the EU, are reinforced</i>	5 000 000
4.3.1 Indirect Management with a pillar assessed entity - cf. section 4.3.1.1	
Specific objective 2 <i>Enhanced prospects for displaced persons (IDPs, refugees and returnees), youth, and women through increased capacity for business innovation, financial services and entrepreneurship, including on sustainable and digital solutions with focus on women and youth in the green economy</i>	10 000 000
4.3.1 Indirect Management with a pillar assessed entity - cf. section 4.3.1.2	
Specific objective 3 <i>Enhanced prospects for displaced persons (IDPs, refugees and returnees), youth, and women through improved access to relevant labour market technical and soft – including green and digital – skills acquired by beneficiaries of EU-supported VET, including for persons living in vulnerable situations, such as persons with disabilities</i>	5 000 000
4.3.1 Indirect Management with a pillar assessed entity - cf. section 4.3.1.3	
Evaluation – cf. section 5.2	N.A.
Audit – cf. section 5.3	
Contingencies	N.A.
Totals	20 000 000

4.6 Organisational Set-up and Responsibilities

The Iraqi Ministry of Planning (MoP) is the signatory of the Financing Agreement. A programme steering committee (SC) will be formed for each component of this action and will meet at least once per year to endorse strategic orientations, oversee programme execution, and facilitate implementation of activities, approve work plans and oversee coordination of the different stakeholders in the programmes. The SC will comprise representatives from MoP, the EU Delegation to Iraq and its cooperation section, representatives from implementing partners per component and the relevant national and local stakeholders. As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission participates in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. This shall include surveys to establish the baseline and endline data. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the

Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.2 Evaluation

Having regard to the nature of the action, mid-term and / or final evaluation(s) may be carried out for this action or its components via independent consultants contracted by the Commission. Mid-term evaluation(s) may be carried out for problem solving and learning purposes. Final evaluation(s) may be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least one month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments. The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.