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ANNEX

of the Commission Implementing Decision on the financing of the special measure in favour of Iraq for 2019 Part 2 and for 2020 Part 1

Action Document for Support to Governance and Sustainable Job creation in Iraq

MULTI-ANNUAL MEASURE

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

1. Title/basic act/ CRIS number	Support to Governance and Sustainable Job creation in Iraq CRIS number: MIDEAST/2019/041-827 and 2020/042-211 financed under the Development Cooperation Instrument	
2. Zone benefiting from the action/location	Republic of Iraq, nation-wide, with a particular focus on liberated areas, Kurdistan and the Southern Governorates	
3. Programming document	Special Measure 2019/2020	
4. SDGs	Main SDG(s) SDG 6 Clean water and sanitation SDG 8 Decent Work and Economic Growth SDG 16 Peace and Justice Strong Institutions Other significant SDG(s) SDG 2 Zero Hunger SDG 4 Quality Education SDG 5 Gender equality SDG 10 Reduced Inequalities	
5. Sector of intervention/ thematic area	Governance/Support to reforms Employment /Job creation	DEV. Assistance: YES

	Agriculture and Agribusiness/ Rural Development			
6. Amounts concerned	<p>Total estimated cost: EUR 130 000 000</p> <p>Total amount of EU budget contribution EUR 130 000 000</p> <p>The contribution is for an amount of EUR 76 838 602 from the general budget of the European Union for 2019, and for an amount of EUR 53 161 398 from the general budget of the European Union for financial year 2020, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget or as provided for in the system of provisional twelfths.</p>			
7. Aid modality(ies) and implementation modality(ies)	<p>Project Modality</p> <p>Indirect management with :</p> <ul style="list-style-type: none"> - the World Bank, UNESCO/ILO, FAO, IOM - entity(ies) to be selected in accordance with the criteria set out in section 5.3.2 <p>Direct management through procurement and grants</p>			
8 a) DAC code(s)	<p>Main DAC Code:</p> <p>31120 - Agricultural development 20%</p> <p>32130 - Small and Medium-sized enterprises (SMEs) development 40%</p> <p>14010 Water sector policy and administrative management 5%</p> <p>11330 Vocational Training 10%</p> <p>15110 Public sector policy and administrative management 10%</p> <p>15190 Migration 5%</p> <p>15111 Public Finance Management 10%</p>			
b) Main Delivery Channel	<p>41000 United Nations Agencies,</p> <p>44000 World Bank</p> <p>90000 Other (EU Member States Agencies)</p> <p>20000 Non-Governmental Organisations</p>			
9. Markers (from CRIS DAC form)¹	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	<input type="checkbox"/>	x	<input type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment ²	<input type="checkbox"/>	x	<input type="checkbox"/>

¹When a marker is flagged as significant/principal objective, the action description should reflect an explicit intent to address the particular theme in the definition of objectives, results, activities and/or indicators (or of the performance / disbursement criteria, in the case of budget support).

	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	x	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	x	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
10. Global Public Goods and Challenges (GPGC) thematic flagship	N/A			

SUMMARY

Iraq has suffered decades of war, sanctions and internal conflict. The territorial defeat of Da'esh at the end of 2017 represents a window of opportunity to build an inclusive and accountable political system and restore trust between the people and their institutions. Iraq's key priorities are therefore to ensure sustained improvements in governance, including management of Iraq's natural resources, foster fair and sustainable employment opportunities and build a solid human capital.

This measure aims to provide support in these core areas by placing Iraqi people's needs at the centre of policy decisions, stabilisation, and reconstruction and reforms efforts. It builds on the EU strategy on Iraq (January 2018), the Partnership and Cooperation Agreement (August 2018) and Iraq's National Development Plan 2018-2022, which serve as strategic guiding documents. This action thus builds on two pillars:

1) Stabilisation and Governance, with a focus on building the capacities of key Iraqi institutions to deliver public services. This is a key element to rebuild the social contract between the government and the citizens and – if not promptly and adequately addressed – can cause further instability and undermine the state building and reconstruction process. Continued support to reforms in public finance management still remains crucial to sustain the recovery and development process. Attention will also be given to key reforms to develop the country's human capital, foster a business-enabling environment, promote a sustainable management of its natural resources (i.e. water) and ensure a proper migration management.

2) Sustainable Job Creation: the EU's support in this area will target both the supply and the demand dimensions of sustainable job creation, through actions targeting: a) human capital development to create new demand-driven skills to match the labour market needs; b) private sector development, with a particular focus on the agricultural sector and the agricultural value chains. This may entail actions focussing on the development of agribusinesses, agricultural markets and value chains as means to foster sustainable job creation. It may also include support to sustainable farming practices and water resources management.

² Please check the Minimum Recommended Criteria for the Gender Marker and the Handbook on the OECD-DAC Gender Equality Policy Marker. If gender equality is not targeted, please provide explanation in section 4.5.Mainstreaming.

LIST OF ACRONYMS

ERU	Economic Reform Unit
FAO	Food and Agriculture Organisation
GoI	Government of Iraq
KRG	Kurdistan Regional Government
MoA	Ministry of Agriculture
MoE	Ministry of Education
MoHE	Ministry of Higher Education
MoLSA	Ministry of Labour and Social Affairs
MoP	Ministry of Planning
MoWR	Ministry of Water Resources
NDP	National Development Plan
OP	Output
PFM	Public Finance Management
PCA	Partnership Cooperation Agreement
PDS	Public Distribution System
PPP	Public Private Partnership
RRP	Recovery and Resilient Program
SC	Steering Committee
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SO	Specific Objective
SOE	State Owned Enterprise
TVET	Technical and Vocational Education and Training
UNESCO	United Nations organisation for Education, Culture and Science
WB	World Bank
WFP	World Food Programme

1 CONTEXT ANALYSIS

1.1 Context Description

Iraq continues to represent a crucial element for the stability and balance of power in the region and has started reinforcing this role with a more assertive foreign policy.

Following the liberation of all Iraqi territory at the end of 2017, the country is undergoing a process of state re-building, in a fragile context. The root causes of conflict which gave rise to Da'esh still threaten the upcoming process. In many areas, the gap between citizens and the elite has become the new divide, the daunting challenges of stabilization of the liberated territories and the lack of adequate public services provision in most of the country, especially the southern governorates – exacerbated by the inability of local government to address it coherently and transparently.

Lack of progress on reforms and stabilisation can lead the country to again become a breeding ground for conflict and extremism, aggravating the threat to European security and migratory flows from the region.

Creation of employment and livelihoods opportunities for young and vulnerable people is of critical importance for the success of stabilisation and the process of reforms. Public payroll has been permanently expanded in the past years as a solution to jobs-related challenges and public insurrections, but such solution has been counterproductive. In the short term, neither private nor public sector hiring can create jobs at the desirable scale without new policy action. Iraq has significant economic potential that can only be unleashed by empowering the private sector, strengthening state institutions and restoring legal security. Some key economic and financial reforms could trigger a positive cycle that would mobilize enormous resources.

In this context, lifting the agricultural sector out of its current torpor is instrumental in the ongoing recovery and reconstruction processes. Rural development and promotion of agribusinesses and agricultural value chains have the potential to revamp the economy and provide livelihoods and job opportunities, including equal access and opportunities for women. In relation to it, the effective management and governance of water resources, supporting reforms and potential investments in key water infrastructure are essential for promoting sustainable economic growth.

1.2 Policy Framework (Global, EU)

The proposed action will support economic governance, vocational training, migration management and job creation through sustainable agriculture and diversification of economic opportunities, and will respond to the key priorities defined by the EU in its Strategy for Iraq. In light of the socio-economic reality, there is a clear need to encourage some sort of rapid, large-scale private sector job creation and economic recovery, through the promotion of an enabling environment, such as establishing financing mechanisms that would provide Small and Medium-sized Enterprises (SMEs) with financial capital to contribute to their recovery and/or expansion.

The action is also fully in line with the operationalisation of the EU Peace-Humanitarian-Development Nexus in Iraq, in particular when assisting displaced and returnees and vulnerable population in areas prone to instability, enhancing governance and livelihoods through better policies and employment creation. The action further responds to the specific priorities of People, Peace, Prosperity and Planet of the EU Consensus. It also contributes to

the commitments of the EU Gender Action Plan (2016-2020) particularly on access to decent work for women (Gender Action Plan II Thematic priority and objective 14), quality education and vocational education (Gender Action Plan II Thematic priority and objective 13), to financial services, productive resources including land (Gender Action Plan II Thematic priority and objective 15). Furthermore, the actions will respond to the EU policy and Action Plan on Women, Peace and Security (December 2018 and July 2019). Additionally, since the private sector will be a relevant stakeholder, the action will consider the United Nations (UN) Guiding Principles on Business and Human Rights.

The action is further in line with the EU political outreach to promote global membership to the United Nations Economic Commission for Europe (UNECE) Water Convention. Such outreach in support of this Convention is very timely as water cooperation has become more urgent in the context of growing extreme weather events, increasing demand on scarce water resources and enhanced tensions both national and regional for the access to water.

1.3 Public Policy Analysis of the partner country/region

There is widespread awareness that a lack of accountability, efficiency and transparency in government operations impedes progress towards sustainable economic and social development. Iraq which finds itself in a changed economic environment and new political dynamics, has an opportunity to broaden the scope of economic policies, known as ‘second generation reforms’, which are considered vital for economic growth and financial stability and part of a basic framework of good economic governance.

Migration has become increasingly recognised as an important catalyst of security, growth and development and features prominently in the global discourse on development. Iraq continues to face complex migration management challenges, including the large number of internally displaced persons (IDPs), the reintegration of returned Iraqis from abroad, a high number of Iraqis emigrating, irregular migration and the safe and effective management of its borders. There is a clear need to support government authorities to better understand and manage migration intricacies, its flows and roots causes, and develop policies that facilitate regular migration and enhance inter-agency cooperation.

As the second most important sector after oil, the Agriculture National Development Plans (2012-2022), the Ministry of Agriculture Plan (2009-2015) and the 2019 Zero Hunger Policy propose a set of actions to enhance agricultural productivity (investments, in social-economic infrastructure, land reclamation, research and genetic improvements of plants and livestock and improved agricultural extension and veterinary services especially on climate-change responsive agricultural and irrigation techniques), support to private sector investments, by developing adequate financial markets and credit policies, and temporary protection to agriculture inputs and outputs to enable the private sector to become competitive with imported products. In a similar vein, Iraq’s hydrological system has seen dramatic change over the past thirty years due to considerable variability in the climate, upstream supply, and domestic use. The country depends greatly on precipitation falling outside of its borders, meaning that its supplies are significantly vulnerable to climate events and storage programs occurring upstream in Turkey, Syria and Iran.

The proposed intervention is aligned at an overarching level with the 2018 Recovery and Development Framework (RDF³), outlining the government's commitment to move from

³ Stemming from the 2018 Conference on the Reconstruction of Iraq in Kuwait.

humanitarian assistance and stabilisation, to recovery and development for the population affected by the recent conflict and economic crisis. Similarly, the UN launched a two-year Recovery and Resilience Programme (RRP - 2018-2020), to fast track the social dimensions of reconstruction. Both of these strategically focus on i) renewing the social contract between the State and its citizens; ii) promoting economic and business recovery; and iii) reinstating services across the country.

1.4 Stakeholder analysis

(i) Government institutions and their decentralised offices shaping policies and regulations and the enabling environment of key reforms in the country:

Economic Reform Entities - Prime Minister's Office, Ministry of Finance (Federal and Kurdistan Regional Government - KRG) , and Ministry of Industry and Minerals; Ministry of Planning (Federal and KRG) Ministry of Trade and Industry (Federal and KRG), Federal and KRG Shura Councils will benefit from associated knowledge and learning, change management, and capacity development activities.

Migration and Asylum –Ministry of Planning (Federal and KRG), Ministry of Displacement and Migration (MoMD), Ministry of Interior (MoI), Ministry of Labor and Social Affairs (MoLSA), Civil Society Organisations (CSOs) and private sector, will lay the foundations to provide adequate capacity of governmental institutions to enable and effective and sustainable migration management.

Ministries of Agriculture, Water Resources, Education and Social Affairs and their decentralised offices needs support for policy development, for kick-starting a long reform process, enabling the environment to develop human capital, increase sustainable production and private investments.

Local authorities remain a key stakeholder for all EU development actions in Iraq. Synergies will be created with existing programs strengthening local development in Iraq.

(ii) Private sector agri-value chain actors and students and service providers in the agriculture and rural sectors.

Smallholders farmers, farmers associations and producers groups, water users associations, micro, small and medium entrepreneurs, food processors, traders, will benefit either from capacity development, inputs and financial support or assist in the horizontal integration and will develop agricultural communities towards better access to markets and enhancement of collective production systems. Students, trainers, vocational training institutes, in particular in the agricultural field, who will benefit from modernized curricula and who will, eventually be ready to step up as private sector actors, or to deliver better services to their communities, particularly women and groups living in vulnerable situations, as well as governmental and non-governmental agricultural service providers will benefit from needed capacity development. A detailed stakeholder analysis will be carried out at value chain level, during the implementation phase.

1.5 Problem analysis/priority areas for support

Weak oversight and accountability institutions. Furtherance to strengthening good governance and building the trust of Iraqi citizen's in their government through enhanced transparency and accountability, with the expansion of social safety nets to reach the most vulnerable segments of the population, there is a necessity to enlarge the scope of intervention

to the broader concept of 'Economic Governance'. To support the government along this reform path, an effective Development Partner Coordination for Public Finance Management (PFM) Reforms has been set up. A Multi-Donor Trust Fund (MDTF) has been established and is open to all donors working on support to public finance management (PFM) reforms. The objective is to provide cohesive support to overall PFM reforms implemented at both the federal and regional levels.

Fragmented migration governance structure and policies. Iraq has been identified as a priority country for the ongoing 2018 migration flagship program covering several countries. Cooperation on migration and asylum, as part of the overall engagement between the EU and Iraq remains a priority on the agenda. The Partnership and Cooperation Agreement, which entered into force in August 2018, provides the legal framework for cooperation on a wide range of areas, including on migration through Article 105, which stipulates areas of intervention in the fields of cooperation on migration and asylum.

Limited support to private sector development. The current state of affairs greatly impedes a much needed large scale employment creation. The National Development Plan (NDP) objective to reduce administrative and financial corruption, along with ensuring stability and reconciliation, if achieved, could make a decisive difference for the current economic environment, which is a great deterrent to private investors. The government is key in promoting non-oil productive sectors and agriculture, construction and tourism. While there are low barriers to entry, private sector investment is discouraged by the lack of a solid mix of policies, in particular with reference to the regulatory framework, access to credit and labour policies regulating private sector workers' welfare.

Weak government policies in key productive sectors such as the agriculture one. Agriculture and food are vital sectors in Iraq' economy after oil. Employment in agriculture is about 20% of the total employment and 44% of the total employment for women, but the sector could absorb larger amounts of labour, upstream (input supply and primary production), midstream (handling and processing) and downstream (distribution and marketing). Over the past decades, the state's dominance over the agricultural sector, compounded by cycles of conflicts, sanctions, and recovery efforts, has distorted agriculture value chains and markets. The cereal sector, for instance, is heavily regulated by the central government, and intertwined by the public distribution system (PDS) - a food distribution system, which constitutes the biggest safety system in the country, providing wheat, rice, oil sugar and milk to almost the entire population and is now in the process of being redesigned.

The government is now committed to revitalizing and modernizing the agri-food sector and studies are ongoing, assessing the potentialities of key value chains. Horticulture, including fruit and vegetable, livestock and dairy are among the most promising sub-sectors. The PDS mechanism and its ration and composition baskets are under revision, and there exist opportunities to increase the linkages between local producers and this safety net system, if productivity and food safety are ensured.

The government has also recently been active drafting a food security policy, but policy gaps remain and related measures have to be enforced.

Operationalisation of policies are needed in relation to: enhancing production, addressing a more efficient use of land and water, reforming the marketing trading and pricing environment so to offer required protection to local commodities. Opportunities also exist to ensure that coming policies are more inclusive and designed with the participation of all relevant rights holders.

Most of the farms in Iraq are small mixed family farms, and most of the jobs are for semi-skilled and skilled workers. According to a recent labour market survey implemented by the United Nations Educational, Scientific and Cultural Organization (UNESCO); the top occupations in the 2017 sample survey were predominantly for livestock workers. In contrast most of the agriculture training available is in higher education (for technical and professional levels), and the majority is specialised in crop growing, and is more theoretical than practical.

Lack of comprehensive water policy. Water remains of critical importance in Iraq. The country's goal of increasing southern crude oil output could be stymied by a shortage of water. The modern oil industry needs water, as there are Governorates where natural reservoir pressure alone is no longer sufficient to keep production levels high. Major reforms of water usage and allocation are a prerequisite, and can be resolved by reaching an agreement with Iraq's upstream riparian neighbours, highlighting the transboundary nature of water.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Security situation and lack of conflict sensitivity.	M	Political stability closely monitored and political dialogue conducted by the EU (and development partners).
Government-instability.	H	Continue political dialogue.
Weak implementation of reforms processes.	M	Continue policy dialogue and coordination with other development partners involved on reform processes (e.g. International Monetary Fund - IMF; World Bank - WB; UN).
Corruption may be an obstacle to some of the activities.	H	Progress on national policies against corruption monitored by a PFM reform platform (WB, EU, United Nations Development Programme – UNDP - Government of Iraq (GoI) Economic Reform Unit/PM Office).
Technical and Vocational Education and Training (TVET) institutes lack of capacity in terms of infrastructure.	H	Encourage use of innovative teaching techniques and on-the-job training modality. GoI has foreseen specific investment in TVET infrastructure.
Private sector not responding and resistant	M	Stakeholders' analysis at value chain level at inception phase. Continuous consultation with

to consider social impact and ensure proper job conditions.		the private sector and design of high-return activities and incentives, which take into consideration commitments to human rights and gender equality.
Inadequate buy-in of migration policy.	M	Capitalise on achievements of previous activities with both the Federal and Regional governments.
Impact of climate change on water availability and agriculture.	M	Adopt sustainable farming practices that deal with climate variability and build on improved land and water management practices.
The economic situation in the country worsens.	M	Carry out a robust selection of livelihood intervention in consultation with government and private sector partners to ensure funding for the services.

Assumptions:

- National/local security situation allows for safe implementation on the ground;
- Local/national authorities' support, full engagement and ownership continue;
- No external factors (e.g. storms, floods, droughts, pests, diseases & insecurity) affecting agriculture sector recovery and social stability;
- Favourable government economic and fiscal policies;
- Livelihoods or employment opportunities are able to be localised, and there are concurrently running partner and government programs that support and contribute to successful and sustainable durable solutions;
- The TVET system is ready to absorb the project's support and allows for management reforms, as well as improvements in terms of delivered services and infrastructures.

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt

Given that the country is entering into a new political cycle and phase of state building, it is important to develop a long-term strategy for Iraq, which combines instruments in a comprehensive and complementary way, and which fully align with the political dialogue and partnership between the EU and Iraq.

Lessons learnt from EU supporting UN or international organisations-led funds, show that the EU should maintain a prominent leading role, actively supporting policy dialogue with the government and other stakeholders, while ensuring adequate EU visibility. Direct work and coordination with local institutions and civil society, although challenging in some sectors, remain crucial to ensure a sustainable knowledge sharing. This also applies to CSOs.

According to partners, experiences from recent interventions in agriculture and rural development in Iraq indicate that it is paramount to select correctly the proper value chains

and the beneficiaries, assessing needs so as to target not only the most vulnerable but also those farmers that are able, when properly assisted, to invest and take risks. Access to finance is crucial and is too limited in Iraq, where short-term cash transfer mechanisms have been successful, especially for recruiting a female rural labour force. However, ensuring consistency in provision of training, transfer of knowledge and support from government extension services is also critical.

3.2 Complementarity, synergy and donor coordination

In the post-Da'esh transition, the international cooperation landscape in Iraq encompasses humanitarian, stabilisation and development programmes, currently being implemented across the country. The humanitarian and stabilisation needs, being more urgent, have attracted most of the government's and international community's attention, leading to the establishment of active mechanisms for strategic and operational dialogue and coordination in this area.

A good example of complementarity is the EU Regional Trust Fund 'Madad'. The fund offers an opportunity to guarantee the EU's 'aid continuum' in Iraq, bridging humanitarian aid efforts to stabilization, resilience, development and reconstruction. Against such backdrop, the EU has heavily contributed to initiatives supporting job creation for IDPs, refugees and host communities, cash assistance, resilience of Iraqi women and girls and host communities, decontamination and explosive hazard management, rehabilitation of selected irrigation infrastructure, access to higher education, the health authority's resilience, and local administration's capacity to respond to the crisis.

Close cooperation has been ensured between the European Commission, the 'Madad' fund and the EU Delegation, capitalising on the field presence of all three entities while strengthening the linkages between humanitarian and development aspects.

The international community must engage with the government in a coherent, coordinated effort, both in medium term, when supplying to the urgent need to implement a broad reform agenda from crisis response to recovery and reconstruction, and in the longer-term when fostering sustainable development. In this light, the Executive Committee for Recovery, Reconstruction, and Development has been established by the GoI to provide a coordination platform for strategic guidance on strategic national priorities, as articulated in the government Programme⁴ 2018-2022 and to monitor the implementation of the Reconstruction and Development program, the use of national and international financing, and the results on the ground. With an overview of domestic and international funding flows, the committee will play the key role in prioritizing funding gaps for delivering against the identified priorities.

The EU Delegation holds a permanent chair in the Executive Committee, and participates in all the different task forces and coordination groups, both at Ambassador and Head of Cooperation level. Head of Missions (HoMs) meetings are planned ahead of the Executive Committee meetings to coordinate EU positions and messages in this Forum, including EU Member States' participation on ad hoc basis.

The EU Delegation's Development Cooperation section organises and chairs regular development counsellors meetings, bringing together EU Member States and EU cooperation agencies, in an effort to ensure a timely exchange of information among EU actors present in

⁴ The programme reiterates priorities set in the Iraq Recovery, Reconstruction and Development framework, which itself draws on the National Development Plan 2018-2022 and the Poverty Reduction Strategy 2018-2022.

Iraq and the alignment of their development policies and programmes. Besides that, two Humanitarian-Stabilization-Development Nexus workshops have been organized, including EU Member States and international partners, to improve coordination and joint programming. A working group on water and agriculture has been established, and the EU sits in a task force that is beginning to assess policy gaps in these two sectors. Discussions are ongoing with EU Member States that are interested or already working on water, agriculture or private sector development (France, Netherlands, Italy, and Germany).

4 DESCRIPTION OF THE ACTION

4.1 Overall objective, specific objective(s), expected outputs and indicative activities

Overall objective

To foster improved governance and promote sustainable, knowledge-based and inclusive economic growth in Iraq.

Specific objectives

1. Efficient policy, legal and institutional environment is built for the focal sectors.
(Component 1 – Support to Governance and State-Building initiatives)
2. Increased employment, improved agricultural practices and strengthened value chains.
(Component 2 – Sustainable job creation through support to private sector and human capital development)

Expected outputs (OPs) are:

Component 1 – Support to Governance and State-Building initiatives (specific objective 1)

- 1.1. The capacity of relevant government institutions and local authorities are reinforced for better services delivery and enhanced governance in key sectors, such as public finance management, private sector development, water, agriculture and rural development, human capital development, migration and forced displacement;
- 1.2. Public Accountability and management systems are strengthened;
- 1.3. Migration and internal displacement policies and governance systems are prepared and implementation is launched;
- 1.4. Legislative and regulatory reforms to foster human capital and private sector development are prepared and launched.

Activities may include:

1. Initiatives to foster stabilisation and fast-track the social dimensions of recovery and reconstruction in poor, vulnerable and conflict-affected areas;
2. Policy dialogue, capacity building and technical assistance to foster policy development, reforms and public service delivery in the sectors mentioned in 1.2. In particular, sub-areas of intervention may include:

- Public finance management: building on ongoing assistance to policy development and reforms in this sector, technical support may focus on financial information management and transparency, cash management, public investment management, and public procurement modernization;
- Water and rural development: technical assistance to (i) improve soil and water resources management; ensuring women and groups in vulnerable situation's needs are addressed and (ii) launch reforms aimed to foster rural development, increase the production, quality and safety of the produce and create a business enabling environment for the private sector and agribusinesses - all while safeguarding sustainable access to water;
- Migration and forced displacement: support to the development / reform of draft legislation and by-laws in migration-related areas (e.g. integrated border management; fight against migrant smuggling and trafficking in human beings; regular and irregular migration; return and reintegration, etc.); support to the development of national strategies and action plans focusing on the socio-economic reintegration of returnees and forcibly displaced populations, especially those whose displacement is taking a permanent turn due to alleged and perceived allegiance to Da'esh, and structural considerations which prevent any form of return in the medium to long term (security, employment, destruction);
- Skills and human capital development: support to the implementation of TVET reforms and systems to develop new demand-driven skills to match the labour market needs; labour reforms; support to the provision of targeted on-the-job training;
- Private sector development: policies and measures aimed at fostering investments and creating a business-enabling environment, including Supervision of Non-Financial State-owned Enterprises (SOEs) and access to finance – with a particular focus on the agricultural sector.

Component 2 – Sustainable job creation through support to private sector and human capital development (with a focus on the agriculture sector) (specific objective 2)

- 2.1. New methods of teacher training, competence-based curricula and testing developed for the TVET system.;
- 2.2 Innovative agricultural and climate-resilient techniques introduced and supporting services provided to vulnerable small farmers and SMEs with a special attention to the liberated Governorates and vulnerable rural areas (including in southern Iraq);
- 2.3 Opportunities for private sector development in the agricultural sector are expanded.

Activities may include:

1. Support the provision of up-to-date professional and educational skills, which respond effectively to the agriculture sector needs. This may also include the development of modernised market-oriented curricula, the provision of training modules to agriculture technical schools and institutes and the creation/provision of apprenticeship schemes;
2. Support to vulnerable farmers on agricultural production and sustainable farming practices, introducing high-quality, high-tech and climate change adaptation practices; soil and water resources management (improved water supply/use and desalination of

irrigation water using solar energy, improved water/soil efficient crop production and use); activities to safeguard the local biodiversity; activities linking smallholder and vulnerable producers to the market (input suppliers, service providers and buyers). Activities will also include support for investments in key water infrastructure in the context of the ongoing recovery and reconstruction processes.

3. Technical and financial assistance for the development of agribusinesses and agricultural value chains in pro-poor sectors (including fisheries), as well as development and provision of rural financial services and business support services. Activities may also include market and value chain assessments and feasibility studies; technical and financial to small holder farmers; provision of technology and infrastructure upgrades; provision of mentoring and coaching to support enterprises improve production and service delivery, facilitation of twinning with international firms when possible; provision training on food safety systems along the value chains; etc. Potential value chains identified are fruit and horticulture, dairy, livestock; further opportunities are currently being explored by ongoing assessments.

4.2 Intervention Logic

The action capitalises on prior EU's interventions and is in line with the partner country's priorities. It aims to place Iraq people's needs at the centre of policy decisions, stabilisation, reconstruction and reforms efforts.

The action will address *Stabilisation and Governance tackling issues of management efficiencies and structural weakness*. The main demand and need for support lays in building the **capacities** of key Iraqi institutions to **deliver public services**. This is a key element to rebuild the **social contract** between the government and the citizens and – if not promptly and adequately addressed – can cause further instability and undermine the state building and reconstruction process. Continued support to reforms in **public finance management** still remains crucial to sustain the recovery and development process. Similarly, the country will need assistance to continue embarking in a credible reform path to develop its human capital, foster a business enabling environment, promote a sustainable management of its natural resources (i.e. water) and ensure a proper migration management.

While supporting the overall government's reform agenda and improving public policies reform agenda, the action will further focus on *Sustainable Job creation, developing markets, value chains and business opportunities*. This will be achieved through a series of activities, targeting both the supply and the demand dimensions of sustainable job creation in the agriculture and rural sectors with a special attention to the liberated Governorates and vulnerable rural areas (including in Southern Iraq). The sector's contribution to Gross Domestic Product (GDP) has shrunk significantly due to war, security issues, concentration on oil activities, institutional, technological and economic factors. However, it remains vital in Iraq for food security, and provides opportunities for economic growth by employing a large share of the population.

Against this backdrop, the project will focus on mutually reinforcing interventions, maximising innovation, fostering productive alliances, linking small and vulnerable producers with the market and government, engaging private sector and leveraging private investment, and building human and social capital. Activities will first focus on enhancing agricultural production and sustainable farming practices, introducing high-quality, high-tech and climate change adaptation practices. Direct linkages will be soil and water resources management and governance, possibly supporting potential investments in key water infrastructure.

Secondly, activities will support the development of agricultural value chains, agribusiness and rural financial services, to strengthen linkages between producers, buyers, service providers, input suppliers and to establish productive alliances and integrated value chains. These value chains differ across the country. However, the aim here is to offer pro-poor opportunities for growth, and identify areas in which smallholders and disadvantaged group can have a comparative advantage.

In addition, through reforms of the TVET system, focusing on new demand-driven skills to match the labour market needs, the action will support the provision of up-to-date professional and educational skills, which responds effectively to the agriculture sector needs.

Thirdly, in continuation with EU's previous support to the water sector, there is a need to strengthen the institutionalisation and the hydro-administrative steering competence of both line-ministries (in Baghdad and in Erbil). Important key-objectives will be addressing integrated water resources management, informed decision making by the mandated water authorities, policy advice and development of adequately empowered hydro-administrative functions, as well as advisory services in negotiating trans-boundary aspect of shared water resources. A core-objective however, is to actively address the distressing effects and impacts of Climate Change on the development of the country, and its socio-economic consolidation.

4.3 Mainstreaming

Governance, resilience and conflict sensitivity are at the core of the action, as they constitute the key response to current political and economic challenges in Iraq. Environmental concerns are specifically addressed as the action will support better management of water and land resources and will improve resilience to climate change.

Gender equality and human rights are to be mainstreamed throughout all planning and activities including indicators, women's leadership and meaningful participation, communities in vulnerable situations and minorities. Special attention should be given to women's participation in decision making and access of girls to education, skills and jobs at equal terms with boys. All work towards gender equality and the systematic mainstreaming of a gender perspective should be based upon a gender analysis carried out by the EU Delegation in cooperation with other relevant stakeholders. Women are specifically addressed in component 2 related to agriculture and private sector development as the percentage of women in the agriculture sector is estimated at 43% of the active population. In general throughout all the components, activities will be designed to address root causes and drivers of gender inequality and preventing factors for women's participation and equal opportunities, aiming at enhancing women's participation and women's access to politics, leadership, employment and entrepreneurship, while undertaking targeted work to support the rights and needs of women and girls. It will also take into account the rights and interests of minorities and other groups in vulnerable situations and support initiatives in prevention of radicalisation of youth as well as women and men.

4.4 Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the 2030 Agenda, directly supports the following SDGs:

- SDG 6 - Clean water and sanitation, increasing water-use efficiency, promoting integrated water resources management and protection and restoration of water-related ecosystems;

- SDG 8 - Decent Work and Economic Growth on policy promotion (target 8.3); achieve full and productive employment and decent work for all (target 8.5) and promote youth employment, education and training(target 8.6);
- SDG 16 - Peace and Justice Strong Institutions, on the promotion of the rule of law at national and international level (target 16.3), reduce corruption (target 16.5) and develop effective, accountable and transparent institutions (target 16.6.); and promote and enforce non-discriminatory laws and policies for sustainable development (target 16.b).

In addition, other significant SDGs targeted are:

- SDG 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- SDG 4 - Quality education, ensuring equal access of education, in particular technical and vocational skills and eliminate gender disparities;
- SDG 5 - Achieve gender equality and empower all women and girls;
- SDG 10 - Reduced inequalities in terms of income inequalities and facilitate policies to ensure orderly, safe, regular and responsible migration and mobility of people.

5 IMPLEMENTATION

5.1 Financing agreement

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

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 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 Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU's appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with the EU's restrictive measures⁵.

5.3.1 Grants: (direct management)

(a) Purpose of the grant(s)

The objective of the grants is to create employment and expand livelihoods opportunities for vulnerable communities and minorities in Iraq, by supporting micro, small and medium enterprises, preferably but not exclusively in agriculture and agribusiness. Eligible activities

⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

may include capacity development, actions promoting a business enabling environment, direct support to sustainable productivity, competitiveness and innovation and actions linking vulnerable entrepreneurs to the market (in line with section 4, component 2, expected outputs 2.2. and 2.3.).

(b) Type of applicants targeted

- In order to be eligible for selection, potential implementing partners must meet the following conditions: be a legal person; and
- be a specific type of organisation such as: non-profit non-governmental organisation, public or private sector operator, local authority, academic and research institution, business association, economic operator, financial and private investment organisation or fund, or international organisation; and
- be established in a Member State of the European Union or in Iraq, or in one of the countries eligible under the Development Cooperation Instrument (DCI).

(c) Justification of a direct grant

Under the responsibility of the Commission’s authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified in compliance with Article 195 of the EU Financial Regulation (1046/2018 EU, Euratom) because the country is in a crisis situation referred to in Article 2(21) of the EU Financial Regulation (1046/2018 EU, Euratom) at the date of the Financing Decision and the crisis situation may offer a justification for direct award of grants during the crisis situation.

5.3.2 Procurement (direct management)

The procurement entails the provision of services to support the skills and human capital development activities (section 4, component 2 – output 2.1).

Development of a competency based training model in Agriculture Sector	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Call for tender	Services	01/2020

5.3.3 Indirect Management

Component 1 – Support to Governance and State-Building initiatives

5.3.3.1 **Indirect Management with the World Bank Group.** A part of this action, with the objective of strengthening the capacity of relevant government institutions to foster **improved public finance management and private sector development** (section 4, **component 1, expected outputs 1.1, 1.2 and 1.4**), will be implemented in indirect management with the World Bank Group (including the International Finance Corporation – IFC).

The envisaged entity has been selected using the following criteria: strong and extensive know-how and experience on PFM and private sector development; solid ongoing assistance to key reforms in these domains in Iraq (and internationally); established policy dialogue with government institutions and local authorities. It is also already running a large policy intervention in these sectors – also supported through EU funding.

This implementation entails the provision of technical assistance and policy support focus on areas such as financial information management and transparency, cash management, public investment management, and public procurement modernisation. It may also include assistance for the development of policies and measures aimed at fostering investments and creating a business-enabling environment, including Supervision of Non-Financial SOEs and access to finance – with a particular focus on the agricultural sector.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

5.3.3.2 **Indirect management with an international organisation and/or an EU Member States' organisation.** A part of this action, with the objective of strengthening the capacity of relevant government institutions to foster the socio-economic reconstruction process, improved public services delivery and enhanced **governance in the sectors of water, agriculture and rural development** (section 4, **component 1, expected output 1.1**), may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: solid technical and operational capacity, as well as extensive field experience (especially at international level), in providing and coordinating assistance to policy development and implementation in the areas of water governance, agriculture and rural development; solid operational capacity across the country; established policy dialogue with government institutions, local authorities and civil society organisations.

The implementation by this entity entails technical assistance to implement activities that may include – among others – initiatives to (i) improve soil and water resources management; and (ii) launch reforms aimed to foster rural development, increase the production, quality and safety of the produce and create a business-enabling environment for the private sector and agribusinesses.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

5.3.3.3 **Indirect management with an international organisation and/or an EU Member States' organisation.** A part of this action, with the objective of strengthening the

capacity of relevant government institutions in the areas of **migration and forced displacement** (section 4, **component 1, expected outputs 1.1 and 1.3**), will be implemented in indirect management with the International Organisation for Migration (IOM). The envisaged entity has been selected by the Commission's services using the following criteria: solid technical and operational capacity, as well as extensive field experience (especially at international level), in providing and coordinating assistance to policy development and implementation in the areas of migration and forced displacement, including integrated border management, fight against trafficking and smuggling of human beings, return and reintegration, etc.; solid operational capacity across the country; established policy dialogue with government institutions, local authorities and civil society organisations.

The implementation by this entity entails technical assistance to develop and implement migration and internal displacement policies and enhance governance systems in these areas.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

- 5.3.3.4 **Indirect management with an international organisation.** A part of this action, with the objective of strengthening the capacity of relevant government institutions in the areas of **human capital development** (section 4, **component 1, expected outputs 1.1 and 1.4**), will be implemented in indirect management with the UNESCO in cooperation with other specialised agencies (i.e. International Labour Organisation – ILO). The envisaged entity has been selected using the following criteria: solid technical and operational capacity as well as extensive experience in Iraq, in providing and coordinating assistance to policy development and implementation in the areas of education and TVET, skills development and human capital development, labour policies and reforms; solid operational capacity across the country; established policy dialogue with government institutions, local authorities and civil society organisations.

The implementation by this entity entails support to the implementation of – among others – TVET reforms and systems to develop new demand-driven skills to match the labour market needs; labour reforms; support to the provision of targeted on-the-job training; etc.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

Component 2 – Sustainable job creation through support to private sector and human capital development (with a focus on the agriculture sector)

- 5.3.3.5 **Indirect management with an international organisation and/or an EU Member States' organisation.** A part of this action, with the objective of **strengthening the human capital in the agricultural sector** (section 4, **component 2, expected output 2.1**), may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: solid technical

and operational capacity, as well as extensive field experience (especially at international level), in providing and coordinating assistance to policy development and implementation in the areas of education and TVET, skills development and human capital development (including delivery on-the-job trainings, etc.), agriculture and rural development; established policy dialogue with government institutions, local authorities and civil society organisations. *It is linked with the activities to be implemented in direct management mentioned in 5.3.1.*

The implementation by this entity entails the provision of up-to-date professional and educational skills for the agriculture sector. This may also include the development of modernised market-oriented curricula, the provision of training modules to agriculture technical institutes and the creation/provision of apprenticeship schemes.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

- 5.3.3.6 **Indirect management with an international organisation and/or an EU Member States' organisation.** A part of this action, with the objective of **strengthening sustainable agricultural productivity and quality** (section 4, **component 2, expected output 2.2 and 2.3**), will be implemented with the Food and Agriculture Organisation (FAO), in cooperation with other specialised agencies (i.e. IOM). The envisaged entity has been selected by the Commission's services using the following criteria: solid technical and operational capacity, as well as extensive field experience (especially at international level), in providing and coordinating assistance on agriculture and rural development; water and irrigation; sustainable farming, etc.; established policy dialogue with government institutions, local authorities and civil society organisations. It is linked with the activities to be implemented in direct management mentioned in 5.3.1.

The implementation by this entity entails the provision of support to improve agricultural production and implement sustainable farming practices, enhance soil and water resources management (improved water supply/use and desalinisation of irrigation water using solar energy, improved water/soil efficient crop production and use) and support to micro, small and medium enterprises and groups of producers.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

- 5.3.3.7 **Indirect management with an international organisation and/or an EU Member States organisation.** A part of this action, with the objective of **fostering private sector development and job creation in the agricultural sector** (section 4, **component 2, expected output 2.3**), may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: solid technical and operational capacity, as well as extensive field experience (especially at international level), in providing and coordinating assistance on business and value chain development – especially in the agricultural sector – including expertise on rural finance and business development services; established policy dialogue with government institutions, local authorities and civil society organisations.

The implementation by this entity entails technical and financial assistance for the development of agribusinesses and agricultural value chains in pro-poor sectors, including the development and provision of rural financial services and business support services.

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced the decision to replace it needs to be justified.

5.4 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 products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Grants (direct management) – cf. section 5.3.1	10 000 000	N.A.
Procurement (direct management) – cf. section 5.3.2	10 000 000	N.A.
Indirect Management with World Bank – cf. section 5.3.3.1	20 000 000	N.A.
Indirect Management with IOM – cf section 5.3.3.3	3 000 000	N.A.
Indirect Management with UNESCO – cf. section 5.3.3.4	5 000 000	N.A.
Indirect Management with FAO – cf. section 5.3.3.6	40 000 000	N.A.
Indirect management with MS Organisations, or international organisations – cf. section 5.3.3.2; 5.3.3.3; 5.3.3.5; 5.3.3.7;	41 600 000	N.A.

Monitoring and Evaluation, (cf. section 5.8),	300 000	
Audit (cf. section 5.9)	100 000	
Communication and visibility (cf. section 5.10)	Covered by contracts.	
Totals	130 000 000	

5.6 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 two times a year to endorse strategic orientations, oversee programme execution, and facilitate implementation of the activities, approve work plans and oversee the coordination of the different stakeholders and groups involved and guide the policy dialogue. The SC composition will reflect the variety of stakeholders in the programmes and will comprise representatives from the MoP, the EU Delegation to Iraq and its cooperation section, representatives of the implementing partners per component and the relevant national and local authorities and stakeholders, including civil society organizations representatives from other institutions, such as private sector representatives and partners responsible for the component linked to the support to entrepreneurship will also take part according to the needs and agenda.

5.7 Performance and Results monitoring and reporting

A robust Results Based Monitoring and Evaluation system will be put in place to track project implementation progress, and document valuable lessons and experiences being learnt. At the inception phase, baseline survey and assessment, to verify some of the anticipated risks will be carried on, including the introduction of necessary amendments to the set of indicators based on the prevailing conditions in the context of implementing the project. Local authorities and communities will be strongly involved in the monitoring of the activities performed, when possible.

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. 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. SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

Third party monitoring will be contracted and could, among others, be tasked with field visits in the areas where activities of the project will be taking place with the aim to assess in pre-set intervals, the progress of the project against its stated objectives and timeframe. Monitors may also visit the end beneficiaries (targeted populations) and conduct surveys of assessing the impact of the actions. Furthermore, constant monitoring will feed the observations made back to the Contracting Authority in order to timely identify challenges and shortfalls.

5.8 Evaluation

Having regard to the nature of the action, a mid-term evaluation(s) may be carried out for this action or its components via independent consultants contracted by the Commission. The evaluation teams should be multidisciplinary, including gender and human rights experts. It will be carried out for problem solving and learning purposes, in particular with respect to the assessment of value chains and the viability of rural markets.

A final evaluation is foreseen: it will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this is an action in a sector new to the EU development cooperation in Iraq and that the more actions in support of the beneficiaries may be needed to strengthen the expected results of the project, in particular at policy level.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen 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 shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, two contracts for evaluation services shall be concluded at mid-term and at the conclusion of the implementation phase.

5.9 Audit

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 audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded in the period following the end of the implementation phase.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. Some of the components of this action, promoting the sustainable use of water, climate smart agriculture and innovation and success stories related to the SMEs will receive

dedicated attention in terms of visibility campaign, given the positive resonance this can generate on the national and international audience.

This action shall contain communication and visibility measures, which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements. The Communication and Visibility Requirements for EU External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX⁶

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Sources of data	Assumptions
Impact (Overall Objective)	To foster improved governance and promote the sustainable, knowledge-based and inclusive economic growth in Iraq.	<ol style="list-style-type: none"> 1. Change in WB Good Governance Indicators: <ul style="list-style-type: none"> • Voice and Accountability, • Government effectiveness, • Regulatory quality, • Control of corruption 2. Unemployment rate (disaggregate by sex and age) 3. 14.4. Employment to population ratio (EPR) by gender and age group (15-64) (SDG 8.5) 4. Literacy rate of 15-24 year-olds (**EU RF 1.7) 5. Value added of agriculture as % of GDP (** EU RF 1.4) 6. World Bank Doing Business – Distance to Frontier index (EU RF 1.15) 	<p>World Bank Good Governance indicators</p> <p>Progress reports on 2030 Government of Iraq Vision</p> <p>EMIS</p> <p>FAOSTAT/WDI</p>	<i>Not applicable</i>
Outcome(s) (Specific Objective(s))	1. Efficient policy, legal and institutional environment is built for the focal sectors (<i>Component 1 –support to Governance and State building initiatives</i>)	<ol style="list-style-type: none"> 1.1 Changes in corruption perception index 1.2 Percentage of displaced and returnees assisted by displacement and migration services (** EU RF 2.17 and 2.18) 1.3 Average PFM scores per each PFM assessment area (** EU RF 2.30) 	<p>1.1 Transparency International CPI index</p> <p>1.2 National policy documents, measures adopted</p>	<p>Leadership buy-in and support for reforms is maintained;</p> <p>Favourable</p>

⁶ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

		<p>1.4 Country score on the Open Budget Index</p> <p>1.5 Percentage of graduates from TVET institutions among the students enrolled during the project, disaggregated by sex (** EU RF 2.15)</p> <p>1.6 Percentage of women (formal employees or entrepreneurs) in agribusinesses</p> <p>1.7 Number of households / % of the population with access to drinking water (** EU RF 1.9)</p> <p>1.8 Percentage of students assessed and certified against new standards/procedures for examination, disaggregated by sex and location</p>	<p>by GoI</p> <p>1.3-1.7 Government and donor reports</p>	<p>government economic and fiscal policies;</p> <p>Security Situation does not worsen.</p>
	<p>2. Increased employment, improved agricultural practices and strengthened value chains <i>(Component 2 Sustainable job creation through support to private sector and human capital development)</i></p>	<p>2.1 Number of formal jobs in agribusiness sector created and retained at the end of the program (disaggregated by sex and by vulnerability criteria)</p> <p>2.2. Number of farmers applying sustainable agricultural practices (** EU RF 2.3. and 2.4.)</p> <p>2.3 Number of MSMEs applying sustainable agricultural practices (**EU RF 2.20)</p> <p>2.4 Percentage of TVET courses for which Competency Based Training models are developed by the action</p>	<p>2.1 Country and third party reports and assessments</p> <p>2.2. Baseline end line surveys of farmers commissioned by the Action</p> <p>2.3. Baseline end line surveys of SMEs commissioned by the Action</p> <p>2.4 Data/Reports from MoE</p>	

Outputs	1.1 The capacity of relevant government institutions is reinforced for better services delivery and enhanced governance in key sectors, such as public finance management, private sector development, water, agriculture and rural development, human capital development, migration and forced displacement	<p>1.1.1 Status of implementation of Government-UN-WB trust fund reconstruction and social cohesion initiatives</p> <p>1.1.2 Status of reforms' strategies / plans</p> <p>1.1.3 Number of reports produced by working groups (e.g. on implementation of reforms) with support of this Action</p> <p>1.1.4 Regularity of policy dialogue at the federal and Governorates levels (including KRG) involving key Development Partners and government</p>	1.1.1-1.1.4. Reports from WB , UN, GoI trust funds, Report of activities and meetings and PFM Reforms Working Group, Executive Committee for Reconstruction, WB and UN trust funds	Increased capacity and systems are maintained and budgeted in the consecutive action plans.
	1.2 Public Accountability and management systems are strengthened	1.2.1 Six budget documents drafted and published	1.2.1 citizen budget and audit report; number of opportunities created for public participation in the budget process by the executive, legislature and Supreme audit institution; meetings of the Parliament's financial committee;	The TVET governance reforms are reflected and budgeted in the action plans following project's advice and deliverables.
	1.3 Migration and internal displacement policies and governance systems are prepared and implementation is launched	<p>1.3.1 Percentage of officials with increased capacity to better manage displacements and returns</p> <p>1.3.2 Status of the draft National Strategy on</p>	1.3.1-1.3.2 GoI reports	

		Migration is under discussion		
1.4 Legislative and regulatory reforms to foster human capital and private sector development are prepared and launched	1.4.1 Status/ Progress in revision of labour law and policies to foster human capital, private sector development and agriculture and water policy actions (including negotiating trans-boundary aspect).	1.4.1 GoI reports, committees and working groups meetings		
	1.4.2 Status of TVET law and status of the TVET Council	1.4.2 – Council of Representative decisions and TVET Council Reports Employer satisfaction survey and MOP and MoLSA data		
2.1 New methods of teacher training, competence-based curricula and testing developed for the TVET system	2.1.1 Level of competence of TVET teachers who participated in Competency Based Training on teaching/learning methodologies delivered with support of this Action 2.1.2 Number of students enrolled into agricultural TVET courses with the support of the project	2.1.1-2.1.2 Labor Market Reports (MOP) and data from MoHE		Livelihoods or employment opportunities are able to be localised, and there are concurrently running partner and government programs that support and contribute to successful and sustainable durable solutions.
2.2 Innovative agricultural and climate-resilient techniques introduced and supporting services provided to small farmers and SMEs with particular focus on rural areas in southern Iraq affected by water salinization	2.2.1 Number of farmers trained in modern technology and improved water/soil/energy efficient production systems (disaggregated by sex) 2.2.2 Number of farmers and practitioners skilled up and assisted with Climate Smart	2.2.1-2.2.6 Project data, baseline/ endline survey MoAA, MoWR records. FAO & WFP assessments.		No external factors (e.g. storms, floods,

		<p>Agriculture and minimum/zero tillage conservation techniques and inputs , modern agricultural and technologies and early warning systems practices, disaggregated by sex and location</p> <p>2.2.3 Areas , where improved cultivation, irrigation and drainage practices were introduced / piloted with support of this action (ha)</p> <p>2.2.4 Status of introduction of new salt tolerant and drought resistant vegetable, cereal, fodders and medicinal crops</p> <p>2.2.5 Number of agriculture research stations provided with technical assistance and inputs</p>		droughts, pests, diseases & insecurity) affecting agriculture sector recovery & social stability.
	<p>2.3 Opportunities for private sector development in the agricultural sector are expanded.</p>	<p>2.3.1 Status of assessments conducted by sub-sector / value chain segment</p> <p>2.3.2 Number of vulnerable smallholders (including fish and livestock farmers) linked to supply and market chains (disaggregated by sex)</p> <p>2.3.3 Number of MSMEs, including women owned business supported by this action in accessing credit (disaggregated by sex)</p> <p>2.3.4. Number of financial products developed with the support of the action for SME credits</p>	<p>2.3.1-2.3.4 Project data, baseline/ endline survey government and third party reports.</p>	