

SUMMARY

Special measure 2019 part 1 in favour of Iraq to be financed from the general budget of the Union**1. Identification**

Budget heading	21.020400
Total cost	EUR 41 500 000 of EU contribution ¹
Basic act	Regulation (EU) No 233/2014 of 11 March 2014 Regulation (EU) No 236/2014 of 11 March 2014

2. Country background

Iraq is now emerging from one of the most devastating periods of conflict, violence and terror, the country has faced in recent history². In the aftermath of the fight against Da'esh, the key challenges faced by the county relate to:

- *internal and regional political complexities* due to identity and sectarian divides and conflicts and violent extremism in neighbouring countries;
- *security* and justice concerns due to the presence of extremist groups, explosive hazards and contamination affecting mobility and safety, the growing number of non-state groups, and difficulties in accessing justice;
 - *economic difficulties* given high security and military spending, weak financial institutions and public financial management, high dependency on oil (worsened by oil price fluctuation) and an undiversified economy where the inflated public sector, and its wage bill, dominate the economy. The country's plan for economic reforms foresees a downsizing of the public sector which will have implications on employment levels due to the limited absorption capacity of the informal sector.
- *governance and social challenges* associated with the legitimacy crisis of state institutions given their weak planning and financial management, high levels of corruptions, lack of transparency and accountability compounded by the breakdown in social cohesion and trust between ethnic, religious and vulnerable groups.

While representing great potential for the country's growth and development, the vast young population (40.2 % of Iraqis is under 15 years) is now desperately seeking for jobs and career opportunities. Failure to respond to this increasing demand for employment may exacerbate social and economic vulnerabilities, fragmentation across sectarian identities and increase the risk of being exploited by violent or armed groups, which in turn could fuel further conflict.

¹ The contribution is for an amount of EUR 41,500,000 from the general budget of the European Union for 2019 from the general budget of the European Union, subject to the availability of appropriations following the adoption of the relevant budget.

² Government of Iraq – World Bank (2018). Iraq Reconstruction & Investment - Part I: Reconstruction and Development Framework.

While Iraq is making progress on some reforms, if urgent action is not taken on the daunting tasks of stabilisation of the territories retaken from Da'esh, on the political and economic reforms and the national reconciliation process, the country could again become a breeding ground for conflict and extremism, exacerbating population displacement and socio-economic vulnerabilities.

3. Summary of the Action Programme

1) Background:

With the ending of military operation against Da'esh and the successfully restoration of its territorial control, Iraq has now a renewed opportunity to promote sustainable, knowledge-based and inclusive economic growth in Iraq. However, the country is now struggling to generate job and career opportunities for a fast growing young population. Support to job creation and income generation is essential to allow families rebuild their lives and to avoid a return to divisive sectarianism and radicalisation of youth.

2) Cooperation related policy of beneficiary country:

By supporting sustainable livelihood and economic opportunities for the population affected by the recent conflict and economic crisis, this special measure responds to the key priorities outlined in the Government of Iraq's Recovery and Development Framework (RDF), and the the United Nations launched a two-year Recovery and Resilience Programme (RRP) presented in Kuwait Reconstruction Conference (February 2018). It is also fully in line with the articulation of the country's Vision 2030 and Iraq's National Development Plan (NDP) 2018-2022, launched in May 2018.

3) Coherence with the programming documents

This special measure responds to the objectives and priorities outlined in the EU Strategy for Iraq recently endorsed by EU Member States³ and it is fully in line with the operationalization of the EU Humanitarian-Development nexus in Iraq⁴, as it bridges gaps in the EU response between emergency support, stabilisation and long-term recovery. The special measure further responds to the specific priorities of People, Peace, Prosperity and Planet of the EU Consensus contributing primarily to the progressive achievement of Sustainable Development Goals (SDG) 8 - Decent Work and Economic Growth and 11 -Sustainable Cities and Communities; and to the commitments of the EU Gender Action Plan (2016-2020) on access to decent work for women.

4) Identified action:

In line with the EU Strategy for Iraq, the Action entitled "Promoting socio-economic development in Iraq: job creation and income generation" aims to promote the sustainable, knowledge-based and inclusive economic growth in Iraq.

More specifically, the Action has three key pillars that will contribute to the development of the urban areas of Mosul and Basra, and of the rural area of Nineveh governorate in ways that allow vulnerable and returnees youth and women to find income opportunities and services to respond to their essential needs.

³ <http://www.consilium.europa.eu/media/32406/st05285en18.pdf>

⁴ <http://www.consilium.europa.eu/media/24010/nexus-st09383en17.pdf>

5) Expected results:

A first pillar will focus on urban areas, seeking employment or income opportunities in the reconstruction of buildings of cultural historical importance and in the economic revitalisation of the old cities of Mosul and Basra. This component will be implemented by the United Nations organisation for Education, Culture and Science (UNESCO), which has recently launched a flagship initiative to revive Mosul and is a longstanding partner to the EU in Iraq on technical and vocational education reform.

A second pillar will focus on restoring livelihoods of rural and peri-urban areas of Nineveh, a governorate highly affected by the recent conflict and which saw in recent months a very high rate of returnees. Here the attention will be to re-start rural economic activities, so to allow returnees to stabilise, increase income opportunities and service delivery. This component will be implemented by Food and Agriculture Organisation (FAO), which has strong experience on supporting Government in addressing the agricultural emergencies in Iraq and in assisting rural farmer returns to their areas of origin.

A third pillar will strengthen productivity, innovation and sustainability of start-ups and small businesses run by youth, women and vulnerable groups by focusing on youth entrepreneurship, providing support and services to facilitate young entrepreneurs launching their businesses. This component will be implemented through grant contracts.

6) Lessons learnt:

EU past and most recent engagement in the country through different instruments, shows that although Iraq is not a poor country, sustainability of humanitarian and stabilization gains are at risk when the root causes of vulnerability, fragility and conflict of the country are not addressed. Wider strategies have to be put in place to enable long-term resilience, whilst meeting immediate humanitarian needs.

Lessons learnt by UNESCO on working on rehabilitation of cultural heritage (Erbil and Samarra in Iraq) and post-disaster reconstruction in other countries show that highly participatory and consultative work with local communities is key to ensure local ownership and avoid the increase of perceptions of inequities, and that robust criteria are needed for targeting beneficiaries and the most deserving locations. In Iraq, it is imperative to ensure youth ownership, as unemployed youth are more at risk of disconnection from the social fabric and vulnerable to recruitment by militias and radicalization.

Experiences from FAO recent interventions restoring livelihoods in areas retaken by Da'esh, such as Fallujah, show that it is paramount to select correctly the beneficiaries, assessing needs so to target not only the most vulnerable but also those farmers able, when properly assisted, to invest and take risks. Short-term cash transfer mechanisms have been successful, especially for recruiting a female rural labour force but ensuring consistency in provision of training and support from government extension services is also critical.

7) Complementary:

This action is part of a comprehensive response by the EU in Iraq and is complementary to: (i) the longstanding engagement of the EU5 in the sector of education and on the ongoing Technical and Vocational Education and Training

⁵ EUR 12.8 million

(TVET) reform with UNESCO; (ii) the emergency and resilience support provided by the EU to stabilisation (United Nations Development Programme - UNDP-led Funding Facility for Stabilization and clearance and demining with United Nations Mine Action Service - UNMAS), and other Commission services projects for internally displaced people and returnees. In particular, there will be synergies with the ongoing EU-funded UNMAS project on explosive hazard management, and Madad projects focusing on livelihood opportunities and job creation, in particular the rehabilitation of the Al Jazeera irrigation scheme in Nineveh implemented by FAO; (iii) the past and upcoming EU programs in support of social cohesion, local authorities and urban planning. In particular, the upcoming EU funded local governance program to be implemented by UNDP and United Nations Human Settlements Programme (UNHABITAT), is expected to support intervention in the urban areas of Mosul, outside the old city, which are complementary to the restoration and reconstruction component of the old city cultural heritage, foreseen in this action.

The component focusing on the rehabilitation of the old city of Mosul is further complementary to a wider initiative launched by UNESCO and the Government of Iraq to support the reconstruction of the old city of Mosul. To date, the key confirmed funding is from the United Arab Emirates (USD 60 million) for the reconstruction and rehabilitation of religious property sites and from the World Bank (USD 5 million) for the rehabilitation of a portion of the old city on the river banks, while a range of other development partners are pledging smaller amounts.

With the exception of the emergency and stabilisation support currently being provided in rural areas, there are not yet any concrete development partners' plans for intervention in rural areas in the agriculture sector. FAO has so far operating mainly with UN emergency funds on recovery and resilience programs. The World Bank is supporting a grant for rebuilding silo capacity, while the Netherlands, Sweden and France are considering potential interventions.

4. Communication and visibility

The European Commission and the UNESCO, the FAO and implementing partners will abide by the visibility rules for European Union financing as per relevant provisions of the programme.

5. Cost and financing

Promoting socio-economic development in Iraq: job creation and income generation	EUR 41 500 000*
--	-----------------

Total EU contribution to the measure	EUR 41 500 000*
---	------------------------

* *The contribution is for an amount of EUR 41,500,000 from the general budget of the European Union for 2019 from the general budget of the European Union, subject to the availability of appropriations following the adoption of the relevant budget.*



EN

This action is funded by the European Union

ANNEX

of the Commission Decision on the financing of the special measure in favour of Iraq for 2019 part 1

Action Document for Promoting socio-economic development in Iraq: job creation and income generation

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	Promoting socio-economic development in Iraq: job creation and income generation, CRIS number: 2019/41441 financed under the Development Cooperation Instrument	
2. Zone benefiting from the action/location	Iraq (country-wide with a special focus on Nineveh and Basra Governorates)	
3. Programming document	NA	
4. SDGs	Main Sustainable Development Goal (SDGs): SDG 8 -Decent Work and Economic Growth Secondary SDG Goal(s) : SDG 11 -Sustainable Cities and Communities	
5. Sector of concentration/ thematic area	Job creation	DEV. Aid: YES
6. Amounts concerned	Total estimated cost: EUR 42,050,000 Total amount of EU budget contribution EUR 41,500,000 The contribution is for an amount of EUR 41,500,000 from the general budget of the European Union for 2019, subject to the availability of appropriations for the respective financial year following the adoption of the relevant annual budget or as provided for in the system of	

	provisional twelfths.			
7. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management - Grants - Procurement Indirect Management with United Nations organisation for Education, Culture and Science (UNESCO) and Food and Agriculture Organisation (FAO)			
8 a) DAC code(s)	16020 Employment policy and administrative management; 43040 Rural Development;73010 Reconstruction/relief and rehabilitation; 32130 SME development;16061 Culture			
b) Main Delivery Channel	UNESCO 41304 - FAO 41301- (Civil Society 20000 main Other 9000 for grants)			
9. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	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	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
10. Global Public Goods and Challenges (GPGC) thematic flagships	NA			

SUMMARY

In the aftermath of the fight against Da'esh, Iraq is struggling to generate jobs for a fast growing young population, one of the best defences against the appeal of terrorist ideology. This action supports the promotion of sustainable, knowledge-based and inclusive economic growth in Iraq, in line with the Sustainable Development Goals.

The expected outcomes will contribute to the development of the urban areas of Mosul and Basra, and of the rural area of Nineveh governorate in ways that allow vulnerable and returnees youth and women to find income opportunities and services to respond to their essential needs.

A component will focus on urban areas, seeking employment or income opportunities in the reconstruction of buildings of cultural historical importance and in the economic revitalisation of the old cities of Mosul and Basra. This component will be implemented by UNESCO, which has recently launched a flagship initiative to revive Mosul and is a longstanding partner to the EU in Iraq on technical and vocational education reform.

A second component will focus on the rural areas of Nineveh, a governorate highly affected by the recent conflict and which saw in recent months a very high rate of returnees. Here the attention will be to re-start rural economic activities, so to allow returnees to stabilise, increase income opportunities and service delivery. This component will be implemented by FAO, which has strong experience on supporting Government in addressing the agricultural emergencies in Iraq and in assisting rural farmers returns to their areas of origin.

A third component will focus on youth entrepreneurship, providing support and services to facilitate young entrepreneurs launching their businesses. This component will be implemented through grant contracts.

The action is in line with the 2018 EU strategy for Iraq¹ and the Council Conclusions of 19 May 2017² on Iraq as a pilot country for operationalising the Humanitarian-Development Nexus, and reaffirms the EU commitments as stated during the Kuwait Conference for the Reconstruction of Iraq.

¹ <http://www.consilium.europa.eu/media/32406/st05285en18.pdf>

² <http://www.consilium.europa.eu/media/24010/nexus-st09383en17.pdf>

LIST OF ACRONYMS

CSO	Civil Society Organisations
CFW	Cash for Work
DTM	Displacement Tracking Matrix
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IDPs	Internally displaced persons
IED	Improvised Explosive Device
IQD	Iraqi Dinar
ISEA	Integrated Strategic Environmental Assessment
MOA	Ministry of Agriculture
MOE	Ministry of Education
MOHE	Ministry of Higher Education
MOLSA	Ministry of Labour and Social Affairs
MOP	Ministry of Planning
NDP	National Development Plan
OP	Output
PFM	Public Finance Management
RDF	Recovery and Development Framework
RRP	Recovery and Resilience Programme,
SC	Steering Committee
SDGs	Sustainable Development Goals
SO	Specific Objective
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNESCO	United Nations organisation for Education, Culture and Science
UNHABITAT	United Nations Human Settlements Programme
UNMAS	United Nations Mine Action Service
WB	World Bank
WFP	World Food Programme

1 CONTEXT

1.1 Country/Regional context

Iraq is emerging from one of the most devastating periods of conflict, violence and terror, the country has faced in recent history³. In the aftermath of the fight against Da'esh, the key challenges faced by the county relate to:

- *internal and regional political complexities* due to identity and sectarian divides and conflicts and violent extremism in neighbouring countries;
- *security* and justice concerns due to the presence of extremist groups, explosive hazards and contamination affecting mobility and safety, the growing number of non-state groups, and difficulties in accessing justice;
- *economic difficulties* given high security and military spending, weak financial institutions and public financial management, high dependency on oil (worsened by oil price fluctuation) and an undiversified economy where the inflated public sector, and its wage bill, dominate the economy. The country's plan for economic reforms foresees a downsizing of the public sector which will have implications on employment levels due to the limited absorption capacity of the informal sector, since the private sector remains weak and stagnant due to the insecure environment and low level of non-oil foreign direct investment (FDI).
- *governance and social challenges* associated with the legitimacy crisis of state institutions given their weak planning and financial management, high levels of corruptions, lack of transparency and accountability compounded by the breakdown in social cohesion and trust between ethnic, religious and vulnerable groups.

An additional challenge is the "youth bulge"⁴ (40.2 % of Iraqis is under 15 years). While representing great potential for the country's growth and development, this vast young population is now desperately seeking for jobs and career opportunities. Failure to respond to this increasing demand for employment may exacerbate social and economic vulnerabilities, fragmentation across sectarian identities and increase the risk of being exploited by violent or armed groups, which in turn could fuel further conflict.

While Iraq is making progress on some reforms, if urgent action is not taken on the daunting tasks of stabilisation of the territories retaken from Da'esh, on the political and economic reforms and the national reconciliation process, the country could again become a breeding ground for conflict and extremism, exacerbating population displacement and socio-economic vulnerabilities.

1.1.1 Public Policy Assessment and EU Policy Framework

In preparation for the 2018 International Conference on the Reconstruction of Iraq in Kuwait in February 2018, Government presented the Recovery and Development Framework (RDF), outlining the commitment and approach for moving from humanitarian assistance and stabilisation, to recovery and development for the population affected by the recent conflict

³ Government of Iraq – World Bank (2018). Iraq Reconstruction & Investment - Part I: Reconstruction and Development Framework.

⁴ Iraq RRP – Supporting Youth UN 2018.

and economic crisis. Similarly, the United Nations launched a two-year Recovery and Resilience Programme (RRP), to fast-track the social dimensions of reconstruction. The RDF and RRP strategically focus on i) renewing the social contract between the State and its citizens – based on trust, social cohesion and the fight against corruption; ii) promoting economic and business recovery – including the introduction of reforms to reinforce private sector and attracts foreign investment; and iii) reinstating services across the country. A tailored approach is foreseen to promote community reconciliation and revitalise those areas at the highest risk of violent extremism.

The RDF and the RRP fit squarely within the articulation of the country's Vision 2030 and Iraq's National Development Plan (NDP) 2018-2022, launched in May and presenting the overarching governance and economic objectives for the country. Strategic priorities of the NDP are: the recovery of the communities affected by the displacement crisis and the loss of human security, the reduction of unemployment and underemployment addressing the youth workforce demographic window of opportunity and women participation in private sector; the stability of the rural areas and less developed cities by expanding livelihoods options and agricultural share of Gross Domestic Product (GDP).

By supporting sustainable livelihood and economic opportunities for the population affected by the recent conflict and economic crisis, this action responds to the key priorities of the *EU Strategy for Iraq* recently endorsed by EU Member States⁵ and is fully in line with the operationalisation of the *EU Humanitarian-Development nexus in Iraq*, as it bridges gaps in the EU response between emergency support, stabilisation and long-term recovery. The action further responds to the specific priorities of People, Peace, Prosperity and Planet of the EU Consensus and to the commitments of the EU Gender Action Plan (2016-2020) on access to decent work for women.

1.1.2 Stakeholder analysis

In urban areas, the action targets urban youth and unemployed returnees, supports semi and low-skilled labourers with cash for work activities and providing skilled workers with Technical and Vocational Education and Training (TVET) and paid apprenticeship programmes. In rural areas, the action will address poor households, in particular female-headed households, enhancing their cash and production surplus and farmers to improve their linkages with market and value chains. Local **communities** will be extensively involved, as local ownership is key to inclusion and social cohesion outcome of this action.

Government actors are strongly associated. Ministry of Planning (MOP) will ensure, with the EU, overall coordination, facilitating linkages between Government's central and local levels and coordinating policy dialogue on reforms. An important part of this action is to support the revitalisation of Governmental institutions in those areas previously controlled by Da'esh, which have experienced serious disruption of their functions and services. Local authorities are key to ensure access and support in the selection of communities, beneficiaries and sites. Among the key stakeholders there are the Prime Minister's Office, overseeing all activities in liberated areas through a newly established mechanism for the reconstruction; the Ministry of Culture and Tourism and the State Board of Antiquities and Heritage of Iraq where cultural heritage is concerned; the Ministries of Education (MOE), Higher Education

⁵ <http://www.consilium.europa.eu/media/32406/st05285en18.pdf>

(MOHE) and Labour and Social Affairs (MOLSA) and their respective training institutions, in particular, the new TVET institutions established by the TVET law; the Ministry of Agriculture (MOA), the Directorates of Agriculture and of Water Resources in Nineveh and in neighbouring Governorates and the Seed Certification Department.

Civil society, national and international, existing youth and women groups and associations are actively associated to implementation, consultative processes with communities and monitoring activities. Religious Endowments will also be involved in the action, as they own 35 per cent of the buildings in the Old City of Mosul and have technical capacity in architectural conservation. The Faculties of Engineering and the Departments of Architecture of the Universities of Mosul and Basra are closely associated in the urban component.

Agriculture engineers association, local farmer unions, women federation in Nineveh, research centres and academia (college of agriculture in Nineveh) will be further engaged for knowledge sharing, documenting case studies and assessing the impact and sustainability in rural areas. Employers' organisations, Chambers of commerce, productive sectors associations, start-up companies, training and financial institutions, are also stakeholders facilitating and ultimately benefiting from the action.

UNESCO has had in past years, and with EU support, a key mandate and role in the upgrading of the education and vocational training sectoral reforms in Iraq. In light of its past experience in post conflict reconstruction and its key mandate to protect Iraqi cultural heritage⁶ and to promote community reconciliation⁷, UNESCO has recently launched a flagship initiative to revive Mosul, coordinating efforts for reconstruction of its old city and engaging youth and vulnerable population into cultural heritage preservation, as a way to increase jobs opportunities and social cohesion.

FAO has a long history in Iraq in supporting rural areas and has a key mandate in the RRP for restoring the agriculture and water systems and in revitalising communities' agricultural livelihoods in the areas liberated from Da'esh. In addition to emergency and resilience intervention, FAO is actively supporting Government's strategy on increasing the agricultural sector's contribution to the diversification of the economy.

1.1.3 Priority areas for support/problem analysis

This Action intends to address priorities linked to youth unemployment and safe and sustainable return of the population in both rural and urban context. In specific:

- **Address unemployment as a driver of poverty and conflict, in particular for youth and women.**

The official national unemployment rate in Iraq is 11 %⁸, youth unemployment stands at 18 %, while female youth unemployment reaches 27 %, against 17 % for males. Although female participation in the labour market is hampered by traditional societal norms and barriers, - in 2014 only 13.9 % of female citizens were formally employed, and mainly by the

⁶ UN Security Council Resolution 1483 (May 2003).

⁷ UNESCO role in RRP.

⁸ <http://www.iq.undp.org/content/iraq/en/home/countryinfo.html#Labour>

public sector - recent trends and reports suggest a change in attitudes⁹. Female labour participation in the agriculture sector is traditionally higher with women working the land and engaged in livestock produce processing; however recent disruption of the agricultural sector due to the conflict has further hindering female employment opportunities.

- **Ensure Skills development and entrepreneurship capacities in key productive sectors**

Low-income generation opportunities for youth in the labour market are compounded by a lack of qualified individuals for the jobs on the market - graduates from education and training programmes are not ready for the labour market - obliging the private sector to often turn to foreign labour. Whilst Government is engaged on a TVET reform, supported by UNESCO with EU funds, along with longer-term private sector enabling environment reforms, attention is now focused to those productive non-oil sectors and value chains that have, in the short term, quick perspectives to restore livelihoods, in particular:

- The *construction sector*, given its high labour-intensive potential in the reconstruction phase, the large spill over effects (firms manufacturing construction material, or providing transport, communication, storage, etc.) and the perspective to engage more Iraqi (vis-à-vis the current predominance of foreign workers) if the technical practical skills of local workers are enhanced. Mainly led by a male workforce, women are often employed as architects, engineers or in administrative support roles.
- The *agriculture sector*, as the largest source of employment (30 %), in particular for the poor segments of the population and for women. The sector, while compromised by past policies of state control and subsidization and increasing environmental challenges such as water inflows reduction and increased salinity, has the potential to develop value chains and boost up internal production and job opportunities.

On a longer-term perspective, it remains imperative to increase confidence and create a new generation of entrepreneurs, strengthening youth-led business and social enterprises.

- **Promote livelihoods and the sustainable return of displaced population in rural areas.**

In rural areas, the action will focus on Nineveh, as this governorate is experiencing highest rates of return, following the liberation of Mosul. Nineveh, with its capital Mosul, is a key strategic region in Iraq, historically the breadbasket of the country, and with a longstanding instability issues due to the unique concentration of ethnic and religious diversity¹⁰.

In recent years, the Nineveh plains have severely suffered by conflict and occupation, with two-third of the farmers displaced during the conflict and a depletion of farmers' working capital¹¹, estimated in the order of Iraqi Dinar (IQD) 1.3 billion. Market assessments, carried out by FAO, show that farmers' livelihoods is further hampered by the suspension of services and subsidies previously provided by government and by lack of access to agricultural credit and inefficient markets, causing a supply bottleneck due to the decrease in the number of traders accessing the local market. Significant damages to physical infrastructures, roads, water systems, storage facilities, shops and markets further impact the ability of returnees and vulnerable farmers.

⁹ UN Women in Iraq. Factsheet – CSO/KRSO/UNFPA/Pan Arab Project for Family Health, Iraqi Women Integrated Social and Health Survey (I-WISH 2011).

¹⁰ a communal mosaic of Arabs, Kurds, Assyrians, Yazidis and Shabaks.

¹¹ Machineries, greenhouses, livestock assets and irrigation systems.

Restoring cereal and legume seed supply systems, increasing small-scale vegetable, dairy and animal fodder productivities are at this stage the key priorities to quickly improve the resilience of returnee and vulnerable communities and stimulated their confidence in re-planting and investing in their land. On a medium term, FAO has started assessing the potential value chains to be developed or restored.

- Ensure reconstruction, preservation and restoration of urban areas.

Current limited job opportunities in the private and public sectors in Iraq are compounded by the collapse of the economy of key towns, such as Mosul – the second largest town in Iraq- and Basra.

Mosul is a symbol of interreligious coexistence and cultural diversity in Iraq and emblematic has been its fall under Da’esh and the consequent devastation of the town and destruction of its iconic monuments. Three years under Da’esh and several months of military operation to retake the town have left behind a wasted urban landscape, no infrastructure, an unprecedented level of contamination from unexploded ordnance and human bodies. The challenge is now to avoid examples of unplanned and inappropriate urban reconstruction while restoring rich and diverse social fabric of the Old City of Mosul, promoting social cohesion and peaceful coexistence.

Similar risks may affect the old city of Basra, which has suffered destruction during the Iraq-Iran war and decades of under-investment and that is at risk of further neglecting as development attention is concentrated mainly in areas retaken from Dae’sh. As a consequence, Basra has experienced damage to key administrative and cultural buildings, abandoned old houses and erosion of the city's social fabric where youth is considered at significant risk of involvement with the militias.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Worsening of security situation and lack of conflict sensitivity.	M	<ul style="list-style-type: none"> • Post-election phase and political stability closely monitored and political dialogue conducted by the EU (and development partners); • Contingency plan and a conflict sensitivity analysis developed at inception phase to identify and counteract possible inter-community tensions; • Activities target groups sensitive to sectarian divisions and extremist ideologies (i.e. youth) and activities on social cohesion; • Synergies will be set up with on-going projects focusing on sectarianism and extremism.

Protracted post electoral crises, and delays in Government-formation	H	<ul style="list-style-type: none"> • Engagement with relevant Ministries to avoid inception phase delays and prepare relevant signatures, kick off of the project and set up of steering committees.
Increased perception of inequity of benefits among communities/beneficiaries	M	<ul style="list-style-type: none"> • Participants, communities, and sites selected on equitable basis following an objective needs assessment and considering the representation of different groups within the community. Use of participatory processes.
Corruption may be an obstacle to some of the activities.	H	<ul style="list-style-type: none"> • Progress on national policies against corruption monitored by a PFM reform platform (WB, EU, United Nations Development Programme – UNDP - Government of Iraq Economic Reform Unit/PM Office); • Strict adherence to UN Rules, Regulations and Procedures in all Procurement through competitive bidding and Recruitment; • Contractual arrangements and payments include conditionalities subject to progress monitoring reports on technical quality and quantity of work done); • EU-contracted monitoring carried by a 3rd party service provider; Ad-hoc performance assessments, monitoring and spot checks of the sub-projects will be conducted throughout the implementation of the programme.
Lack of accessibility to project locations	M	<ul style="list-style-type: none"> • Activities on Improvised Explosive Device (IEDs) decontamination are a mitigating and enabling factor; Agreement between UNESCO and United Nations Mine Action Service (UNMAS) is in place for the urban area of Mosul. Assessment on level of access is done at rural level during sites identification. • Contingency planning will allow to implement the project despite the lack of accessibility to certain areas of the Old City; • Extensive involvement of national actors, local authorities and CSOs since the project design phase in both urban and rural areas.

Lack of architectural/urban conservation and recovery capacities	M	<ul style="list-style-type: none"> • Tailored on-the-job training programme in place; • Selected international companies/ institutions will provide qualitative support, when expertise is not available.
Risk of Child labour used in agricultural interventions	M	<ul style="list-style-type: none"> • Selection criteria clearly exclude child labour • Oversight by FAO and MOA should prevent any use in project activities
Domestic market unable to cover specific inputs needs.	M	<ul style="list-style-type: none"> • Sourcing of tools and inputs from the surrounding region; • Working directly with the local governorate, districts and community leaders, to ensure that interventions are tailored to the unique circumstances.
Lack of access to land for farmers	M	<ul style="list-style-type: none"> • Increased attention in selecting beneficiaries as there may be the possibility that some household returning experience land property rights issues.
<p>Assumptions:</p> <p>National/local security situation allows for safe implementation on the ground. Local/national authorities' support, full engagement and ownership continue. Basic services are provided to returnees in the initial phases of return, allowing them to rebuild their lives and livelihoods. Clearance of unexploded ordinances is ongoing and access for urban and rural activities continues to increase.</p>		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

EU past and most recent engagement in the country through different instruments, shows that although Iraq is not a poor country, **sustainability of humanitarian and stabilization gains are at risk when the** root causes of vulnerability, fragility and conflict of the country are not addressed. Wider strategies have to be put in place to enable long-term resilience, whilst meeting immediate humanitarian needs. Hence the Council Decision to include Iraq as a pilot country on the **Humanitarian Development Nexus operationalisation in Iraq**.

Lessons learnt by UNESCO on working on rehabilitation of cultural heritage (Erbil and Samarra in Iraq) and post-disaster reconstruction in other countries show that highly participatory and consultative work with local communities is key to ensure local ownership and avoid the increase of perceptions of inequities, and that robust criteria are needed for targeting beneficiaries and the most deserving locations. In Iraq, it is imperative to ensure youth ownership, as unemployed youth are more at risk of disconnection from the social

fabric and vulnerable to recruitment by militias and radicalisation. Urban heritage assets, infrastructure and resources cannot be maintained in the long-term if communities do not receive direct economic benefits and incentives in the short-term. In the post-conflict period, a rapid influx of funds, investment and development aid, in a vacuum of proper policy and regulation by government, can and does at times lead to further destruction of urban heritage assets and infrastructure than the conflict did itself.

Experiences from FAO recent interventions restoring livelihoods in areas retaken by Da'esh, such as Fallujah, show that it is paramount to select correctly the beneficiaries, assessing needs so to target not only the most vulnerable but also those farmers able, when properly assisted, to invest and take risks. Short-term cash transfer mechanisms have been successful, especially for recruiting a female rural labour force but ensuring consistency in provision of training and support from government extension services is also critical. Group based learning processes such as the Farmer Field School approach, which will be adopted by this action, have been useful to transfer knowledge also to vulnerable groups and women.

3.2 Complementarity, synergy and donor coordination

This action is part of a comprehensive response by the EU in Iraq and is complementary to: *(i)* the longstanding engagement of the EU¹² in the sector of education and on the ongoing TVET reform with UNESCO; *(ii)* the emergency and resilience support provided by the EU to stabilisation (UNDP-led Financial Facility for Stabilization and clearance and demining with UNMAS), and other Commission services projects for Internally displaced persons (IDPs) and returnees. In particular, there will be synergies with the ongoing EU-funded UNMAS project on explosive hazard management, and Commission services projects focusing on livelihood opportunities and job creation, in particular the rehabilitation of the Al Jazeera irrigation scheme in Nineveh implemented by FAO; *(iii)* the past and upcoming EU programmes in support of social cohesion, local authorities and urban planning. In particular, the upcoming EU funded local governance programme to be implemented by UNDP and the United Nations Human Settlements Programme (UNHABITAT), is expected to support intervention in the urban areas of Mosul, outside the old city, which are complementary to the restoration and reconstruction component of the old city cultural heritage, foreseen in this action.

The component focusing on the rehabilitation of the old city of Mosul is further complementary to a wider initiative launched by UNESCO and the Government of Iraq to support the reconstruction of the old city of Mosul. To date, the key confirmed funding is from the United Arab Emirates (USD 60 million) for the reconstruction and rehabilitation of religious property sites and from the World Bank (USD 5 million) for the rehabilitation of a portion of the old city on the river banks, while a range of other development partners are pledging smaller amounts. UNESCO and UNMAS, working with EU funding, will strategically partner so to ensure that technical capacity in dealing with cultural heritage is applied and tailored to demining in historic contexts. UNESCO will also encourage the establishment of partnerships between Iraqi and international institutions for the safeguarding of cultural heritage.

¹² EUR 12.8 million.

With the exception of the emergency and stabilisation support currently being provided in rural areas, there are not yet any concrete development partners' plans for intervention in rural areas in the agriculture sector. FAO has so far operating mainly with UN emergency funds on recovery and resilience programmes. The World Bank is supporting a grant for rebuilding silo capacity, while the Netherlands, Sweden and France are considering potential interventions.

3.3 Cross-cutting issues

Social cohesion and conflict sensitivity are key to the action. Special focus will be given to engaging women, youth and civil society in a positive cultural discourse on unity in diversity, peace-building through culture and a human-centred recovery.

Decent work standards in employment (as per ILO standards) will be fully applied in job creation activities.

The action contributes significantly to gender and support to women's economic empowerment, actively seeking to address the specific needs and opportunities for women through interventions aimed at their economic empowerment, enhancing livelihoods and by creating employment opportunities, also in light of the high number of female headed households in conflict affected areas. This component will be addressed through a tailored approach, taking into consideration the societal urban and rural structure, i.e. family, ethnic group, religious affiliation, tribal context, etc. A gender profile to be launched during 2018 by the EU Delegation is expected to help better targeting women economic empowerment.

Environmental issues will be an important aspect. For the urban component, post-disaster reconstruction offers the opportunity to promote an urban planning process that addresses environmental sustainability, climate resilience and low carbon options; this will be promoted by the use of a tool such as Integrated Strategic Environmental Assessment (ISEA). Environmental impacts will also be minimised by giving due attention to construction waste management, management of military waste and other hazardous waste, and water management. Similarly the rural component of the project is designed to have a neutral impact on environment, promoting climate-smart agricultural practices (e.g. in relation to intercropping, agroforestry, soil and water conservation measures, integrated pest management), rational use of agrochemicals, resource efficiency, avoiding deforestation and destruction of important habitats/ecosystems of concern for other living organisms. When promoting creation of business, attention will be given to the promotion of resource efficiency, environmental sustainability and low carbon options.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

In line with the EU Strategy for Iraq, the overall objective is **to promote the sustainable, knowledge-based and inclusive economic growth in Iraq**. The Action will specifically focus on generating jobs and an economic perspective for the growing young population so to contribute to the stabilisation and resilience of those areas most affected by the recent conflict or by underdevelopment.

The specific objectives/ outcomes (SOs) are:

SO 1: Urban livelihoods in the urban areas of Mosul and Basra are enhanced.
Component 1

Under this objective, the following outputs (OP) are expected: (OP 1.1.) Cash and skills development in the rehabilitation of the urban infrastructure provided to youth in the old cities of Mosul and Basra; (OP 1.2) Portions of the historic urban landscape of Mosul and Basra are rehabilitated; (OP 1.3) Social and cultural services around urban cultural heritage in the old cities of Mosul and Basra are restored.

SO 2: Rural and peri-urban livelihoods in Nineveh Governorate are restored.

Component 2

Outputs to be delivered under this objective focus on: (OP 2.1) Cash and in-kind support provided to smallholder crop/ livestock farmers; (OP 2.2) High value crop/livestock systems are rehabilitated; (OP 2.3) Agri-food based micro-industries developed.

SO 3: Productivity, innovation and sustainability of start-ups and small businesses run by youth, women and vulnerable groups is strengthened *Component 3.*

Under this objective the following output is expected (OP 3.1) Support services to small scale businesses and young entrepreneurs are created.

The action is relevant to the Agenda 2030. It contributes primarily to the progressive achievement of SDGs Goal 8 and Goal 11. This does not imply a commitment by Iraq.

4.2 Main activities

Component 1. Urban livelihoods in the urban areas of Mosul and Basra are enhanced

Indicative activities to achieve outputs and specific objective (SO1) foreseen by this component focus on:

- development and delivery of training modules in market demanded skills by TVET recognised providers for ca 1,500 youth and by paid apprenticeships;
- Set up of Intensive Employment and Skills Development Schemes, on the job training modules in self-construction techniques in historical context and cash for work scheme for 2,500 semi-skilled and unskilled youth labourers;
- Small grants to Micro, Small and Medium Enterprises with a focus on the revival and diversification of socio-economic activities in the Old Cities of Mosul and Basra; facilitation of Public-Private Partnerships mechanisms between local authorities and private sector for reparation of small scale infrastructure and services in the old cities and management of rehabilitated sites;
- Surveying, identification of project sites, clearance of rubble and debris and coordination of the decontamination of the historic selected components and sites; implementation of rehabilitation works;
- Set up of small granting or start-up schemes to support socio-cultural services and citizens', adaptive re-use of building for public functions, communities engagement in historical public spaces in historical centres; awareness-raising and cultural events around restored sites.

Component 2: Rural and peri-urban livelihoods in Nineveh Governorate are restored

Indicative activities to achieve outputs and specific objective (SO2) foreseen by this component focus on:

- Provision of cash+ mechanisms (combination unconditional cash, vouchers to purchase kits comprising quality vegetable seeds/seedlings, fruit tree seedlings and/or farm tools and training in improved (climate-smart) vegetable practices); Livestock restocking and provision of supplementary fodder;
- Rehabilitation of water and agriculture infrastructure through cash for work mechanisms;
- High quality, certified seed production of high-value wheat and improvement of the local seed quality control institute capacities;
- Training to Farmers on cultivation, production and marketing, support to informal marketing groups of producers;
- Market, value chain and feasibility studies on additional high value crops (e.g. olives/ fodder/ dairy/beekeeping) and support to the development of micro-industry activities and to informal marketing groups.

Component 3 Productivity, innovation and sustainability of start-ups and small businesses run by youth, women and vulnerable groups is strengthened.

Indicative activities to achieve outputs and specific objective (SO3) foreseen by this component focus on:

- Support to small business creation and technical and managerial capacities of youth entrepreneurs;
- Analysis of value chains and development of skills platforms to enhance productivity, competitiveness;
- Upgraded or creation of "incubator-type" services and spaces for new entrepreneurs.

4.3 Intervention logic

This action support one of the objectives of the EU strategy for Iraq, the promotion of economic growth, in a sustainable, knowledge-based and inclusive manner, by generating jobs and an economic perspective for the fast growing population - mostly vulnerable youth that can constitute a potential cause for sectarian conflict, instability and a breeding ground or armed groups.

On a short to medium stabilisation effort, the action will enhance livelihoods opportunities in an inclusive way for youth (boys and girls) population, urban and rural, vulnerable and returned, in the areas retaken by Da'esh or affected by the recent economic crises. On a longer term perspective the action will explore the potentialities of new or revitalised value chains and support youth entrepreneurship.

The first outcome focuses on urban areas generating jobs for unskilled, semi-skilled and skilled workers, youth and vulnerable population, in a productive sector - the construction sector- that is considered promising in terms of absorbing capable and trained workforce. Opportunities to increase female participation in this sector will be explored, especially when

self-building houses. This component has the added value of linking youth to the job market in an important and potentially cohesive area such as the restoration of the cultural heritage, catalysing youth participation and ownership around common cultural values and identities, fostering inter-community reconciliation. This will be achieved in partnership with UNESCO, which has a solid experience in linking vocational training with cultural heritage and social cohesion.

The second outcome focuses on rural and peri-urban areas and will support the country's wider objective to boost up agricultural productivities, while facilitating return and stability in conflict-affected rural areas. Two different groups of beneficiaries will be targeted: vulnerable smallholder farmers (emphasis on female headed households) with a production/ sales focus to meet their immediate needs but also an element of household food security and improved nutrition; and smallholder farmers more receptive to medium to longer term market interventions. The latter are expected to build up sustainable businesses that also generate jobs for the rural poor. This component will be implemented through FAO, using their knowledge of bridging emergency/resilience to more development-oriented activities in rural areas.

The third outcome is designed as a pilot to look into possible mechanisms, some already emerging, to study the potentialities of new value chains, link sustainable job creation with programmes and spaces which facilitate entrepreneurs with development of capacity, innovation research, mentoring and which will foster linkages with funding and greater private sector.

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 4.1 will be carried out and the corresponding contracts and agreements implemented, is 36 months from the date of the entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

Both in indirect and direct management, 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 affecting the respective countries of operation¹³.

¹³ https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf

5.3.1 *Grant: (direct management)*

"Promoting youth entrepreneurship in Iraq" - Component 3 of this Action

(a) Purpose of the grants, fields of intervention, priorities of the year and expected results. The objective of these grants is to promote innovative and sustainable small business in Iraq. Eligible activities include support to productivity, competitiveness and capacity of innovation of start-ups and small business in Iraq, strengthening of technical and managerial capacities; Programmes delivered by business service providers

(b) Type of applicants targeted

In order to be eligible for selection, potential implementing partners must meet the following condition:

- 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, financial and private investment organisation or fund, international organisation as defined by art. 43 of the Rule of application of the EU Financial Regulation **and**
- be established¹⁴ in a Member State of the European Union or in Iraq, or in one of the countries eligible by the related EU financial regulation

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is between EUR 1 million and EUR 5.5 million and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 36 months.

The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(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 because the country is in a crisis situation referred to in Article 2(21) FR.

14 To be determined on the basis of the organisation's statutes, which should demonstrate that it has been established by an instrument governed by the national law of the country concerned and that its head office is located in an eligible country. In this respect, any legal entity whose statutes have been established in another country cannot be considered an eligible local organisation, even if the statutes are registered locally or a 'Memorandum of Understanding' has been concluded.

5.3.2 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Third party monitoring	service	1	Q 1 2019

5.3.3 Indirect management with an international organisation -UNESCO Component 1 of this Action

The part of this action related to the provision of TVET and the reconstruction schemes in the old cities of Mosul and Basra will be implemented in indirect management with the United Nations Educational Social and Cultural Organisation – UNESCO. This implementation entails the direct implementation of activities in support to urban areas in historical centres and technical and vocational training; the procurement of inputs, delivery of training and technical assistance and the sub-contracting to implementing partners. This implementation is justified because of UNESCO's comparative advantage in (i) addressing the technical and vocational education sector, in specific in relation to its role in the current TEVT reform and in (ii) addressing the preservation of cultural heritage in complex emergencies in Iraq. UN Security Council Resolution 1483 (May 2003) gives UNESCO their mandate to coordinate all efforts aimed at safeguarding Iraqi cultural heritage and diversity and more recently during the Kuwait Conference, UNESCO launched a flagship initiative to revive Mosul, coordinating international efforts on the reconstruction of its old city.

The entrusted entity would carry out the following budget-implementation tasks: launching of procurement, definition of eligibility and selection criteria, procurement, award of contracts, acting as a contracting authority concluding, monitoring and managing contracts, carrying out payments.

The Commission authorises that the costs incurred by the entrusted entity may be recognised as eligible as of the date of the adoption of this decision because of the urgency to provide immediate reconstruction assistance and support to urban livelihoods.

5.3.4 Indirect management with an international organisation -FAO- Component 2 of this Action

The part of this action related to the support to communities in rural areas will be implemented in indirect management with the Food and Agriculture Organisation – FAO. This action entails the direct implementation of activities in support to rural households, the procurement of inputs, delivery of training and technical assistance and the sub-contracting to implementing partners.

This implementation is justified because of FAO comparative advantage in (i) addressing complex rural emergencies in Iraq; in (ii) helping in rehabilitation of food production systems in Nineveh, and in being the main partner to Government on implementing the current policies in the agricultural sector.

The entrusted entity would carry out the following budget-implementation tasks: launching of procurement, definition of eligibility and selection criteria, procurement, award of contracts, acting as a contracting authority concluding, monitoring and managing contracts, carrying out payments.

The Commission authorises that the costs incurred by the entrusted entity may be recognised as eligible as of the date of the adoption of this decision because of the urgent character of the activities to be implemented by FAO in support to rural and peri-urban livelihoods.

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.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 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
5.3.1 Award of grant - direct Management – award of grants (Component 3)	5,500,000	550,000
5.3.2 – Procurement –direct management Third party monitoring	500,000	N.A
5.3.3 – Indirect management with UNESCO (Component 1)	20,000,000	N.A.
5.3.3 – Indirect management with FAO (component 2)	15,000,000	N.A.
5.8 – Evaluation	300,000	N.A
5.9 – Audit	200,000	N.A
5.10 – Communication and visibility	(covered by the contracts)	
Contingencies	0	N.A.
Total	41,500,000	EUR 550,000

5.6 Organisational set-up and responsibilities

The Iraqi MOP is the signatory of the Financing Agreement.

A Programme Steering Committee (SC) will be formed and will meet at least three 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 feed into the policy dialogue. The SC composition will reflect the variety of stakeholders in the programmes and will comprise representatives from the MOP, the European Union Delegation to Iraq and its cooperation section, UNESCO, FAO, Ministries of Culture, Agriculture and Labour and Social Affairs and the relevant local authorities. 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. Technical steering committee composed by concerned stakeholders at local level and UNESCO and FAO will be created at component level to oversee the very specific aspects of the TVET and the urban and rural livelihoods components.

5.7 Performance 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. In the last months of the project, an endline survey will be collected.

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 (for project modality) . 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).

The third party monitoring service (see 5.3.1.) to be contracted, 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, mid-term and final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for learning purposes, in particular with respect to the impact on youth employment, value chains assessment and access to markets.

A final evaluation 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 action is starting in a post-conflict and reconstruction phase of the country and is supposed to bridge to more development oriented policies and plans at local authorities 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

Visibility of the project outcomes and achievements is inherently built into the project design. Social media will be employed to both enhance visibility and promote ownership, in particular youth ownership. Some of the components of this action, i.e. the preservation of the cultural heritage of the old city of Mosul, are expected to generate significant visibility and will presumably attract positive and extensive national and international attention, a series exhibitions and publications promoting the project values and results will be undertaken.

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

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 and supported with the budget indicated in section 5.5 above.

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 Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall Objective: IMPACT	To promote the stability and socio-economic development of Iraq	1. SDG: 8.5 Unemployment rate of youth (15-24) (urban/rural areas disaggregated by sex age and persons with disabilities) – IL CAT 8.5.2 2. SDG 11.3: inclusive and sustainable urbanisation (indicator to be defined at inception phase) 3. SDG 2.1 prevalence of food insecurity – 4. SDG 2.3. Average annual household income, disaggregated by location (rural/urban), ethnicity when appropriate 5. SDG 5: Ratio of female to male labour force participation rate 6. Number of displaced persons returning to Ninevah,(disaggregated per ethnic group)	1. SDG 8.5: 18 % (27 % Female and 17 % Male) (2016) 2. SG 11.3 to be provided in the baseline survey 3. . SDG 2.1 21 % (2016) ¹⁵ 4. SDG 2.3 n/a 5. SDG 5: 21.5 6. 3,768,012	1. To be set in the inception phase 2. To be set once baseline is available 3. To be set in the inception phase 4. To be set once baseline is available 5. To be set in the inception phase ¹⁶ 6. 5,857,650 (2021)	1. National Statistics Office Report – UNDP reports 2. Annual SDG country progress report 3. Annual SDG country progress report 4. Annual SDG country progress report 5. Annual SDGs country progress report 6. Displacement matrix /return dashboard IOM DTM	
Specific objective(s): Outcome(s)	SO 1: Urban livelihoods in the urban areas of Mosul and Basra are enhanced	From IL/CAT: 1.1. Number of HHs reporting new income sources, disaggregated by source 1.2.2 Number of jobs created 2.1.3 Number of new businesses/start-ups created 1.1. Number of income generation opportunities	1.1 0 (2018) 1.2 20 (2018) 1.3 0 (2018)	1.1 tbd (2021) 1.2 2,500 (2,250 M , 250 W) (2019-2021) 1.3 tbd	1.1 Employment records/Contracts 1.2 Building plans and permits 1.3 project records	National and local security/stability Local and national authorities' remain engaged

¹⁵ WFP/FAO CFSVA 2016.

¹⁶ Iraq at this stage, does not have national targets on SDGs. Government of Iraq has requested UNDP to support and develop the SDG targets for Iraq as well a monitoring system (the current one is based on the MDG methodology).

		(jobs) created by the project for unemployed youth and returnees in urban areas (Cash for work (CFW)				
	SO 2 Rural and peri-urban livelihoods in Nineveh Governorate are restored	2.1 Number of vulnerable households reached by the project with improved income/food security status. 2.2 proportion of added value going to smallholders farmers, disaggregated by agricultural product. 2.3 Percentage of agriculture/water infrastructure rehabilitated in Nineveh	2.1 0 (2018) 2.2 0 (2018) 2.3 10 ¹⁷ % water infra – 40 % greenhouse infra (2017)	2.2 42,850 HH (i.e. 257,100 individuals) (2021) 2.2 2,250 (M/F tbd) (2021) 2.3 tbd in the inception phase (2021)	2.1-2.3 Project data, baseline/ endline survey (HH and farm assets and FS indicators) MoAA, MoWR records. FAO & WFP assessments.	
	SO 3 Productivity, innovation and sustainability of start-ups and small businesses run by youth, women and vulnerable groups is expanded	3.1. Number of entrepreneurs/ start-up businesses created by this component who remain in employment after 6 months	3.1 0 (2018)	3.1. tbd (2021)	3.1.1 grants reports and monitoring reports	
Outputs	1.1 Job and skills development provided to vulnerable youth in the rehabilitation sector of the urban infrastructure of the old cities of Mosul and Basra have increased	1.1.1 Number of qualified vocational graduates (disaggregated by sex). 1.1.2 Number of self-construction working teams established 1.1.3. Number of youth employed with the support of this Action, disaggregated by sex.	1.1.1 0 (2018) 1.1.2 0 (2018) 1.1.3 0 (2018)	1.1.1 1485 (2021) 1.1.23 Mosul: 50 – Basra 12 (2019-2021) 1.1.3 Mosul : 1800 (M) 200 (F) Basra 400 (M) 50 (F) (2019-2021)	1.1.1 Learning and employment records 1.1.2 –project monitoring reports 1.1.3 Cash for work payment records 1.4 Employment contracts	Primary needs provided to returnees, allowing returns Unexploded Ordinances will be cleared and make land accessible again for urban and rural activities

¹⁷ FAO Nineveh Assessment (2017).

	1.2 Social and cultural services around rehabilitated urban cultural heritage in the old cities of Mosul and Basra are restored	<p>1.2.1 Status of Recovery and Reconstruction Plan</p> <p>1.2.2 Number of housing/public spaces projects implemented in the Old Cities of Mosul and Basra</p> <p>1.2.3 Number of Civil Society organisations delivering their services with the support of the project</p> <p>1.2.4 Number of cultural services and programmes funded by the action</p> <p>1.2.5 Number of individuals involved in awareness-raising campaigns, disaggregated by sex</p>	<p>1.2.1 0 (2018)</p> <p>1.2.2 0 (2018)</p> <p>1.2.3 0 (2018)</p> <p>1.2.4 0 (2018)</p> <p>1.2.5 0 (2018)</p>	<p>1.2.1 2 plans produced (Sectoral Plans: Mosul 15 Basra 5) (2021)</p> <p>1.2.2 Mosul: 50, Basra:12 (2021)</p> <p>1.2.3 7 (2021)</p> <p>1.2.4 5 in Mosul/ 2 in Basra (2021)</p> <p>1.2.5 10,000 8,000 (M) 2,000 (F) (2021)</p>	<p>1.2.1 Plans documents</p> <p>1.2.2 Project records</p> <p>1.2.3 agreements documents with CSOs</p> <p>1.2.4- Questionnaires/ Community meetings and records of social/cultural events</p> <p>1.2.5 Print / Radio and TV programmes</p>	
	2.1: Cash and in-kind support provided to smallholder crop/ livestock farmers	<p>2.1.1 Number of HHs receiving vegetable seeds, fertilizer and tools</p> <p>2.1.2 Number of HHs receiving livestock fodder</p> <p>2.1.3 Number of days of rural employment created through CfW schemes</p> <p>2.1.4 Number of HHs benefiting from small ruminants restocking</p> <p>2.1.5 Number of HHs benefiting from livestock/ water infrastructure rehabilitated/ rehabilitated ha of land</p> <p>2.1.6 Number of farmers trained in X(disaggregated by sex)</p> <p>2.1.7 Number of informal producer groups established with the support of the project</p>	<p>2.1.1 – 2.1.7 0 (2018)</p>	<p>2.1.1 15,000 (2021)</p> <p>2.1.2 12,500 (2021)</p> <p>2.1.3 tbd in inception phase</p> <p>2.1.4 3,000 (2021)</p> <p>2.1.5 1,500 (2021)</p> <p>2.1.6 1,500 (2021)</p> <p>2.1.7 25 (2021)</p>	<p>2.1.1-2.1.7 Progress reports</p>	
	2.2 High value crops are introduced/ rehabilitated and agri-food based micro-industries developed	<p>2.2.1 Number of HHs receiving high quality wheat seeds and fertilizers (disaggregated by sex of the head of household)</p> <p>2.2.2 Number of HHs receiving greenhouses</p> <p>2.2.3 Number of HHs targeted by the project in food processing (dairy and beekeeping production)</p> <p>2.2.4 Number of individuals trained in pre- and post-harvest methods and techniques, food</p>	<p>2.2.1-2.2.5 0 (2018)</p> <p>2.2.6 0 (2018)</p> <p>2.2.6) (2018)</p> <p>2.2.8 not in place (2018)</p>	<p>2.2.1 5,000 (2021)</p> <p>2.2.2 100</p> <p>2.2.3 2,000 (2021)</p> <p>2.2.4 tbd (2021)</p> <p>2.2.5 tbd (2021)</p> <p>2.2.6 100</p> <p>2.2.7 tbd in inception phase</p>	<p>2.2.1-2.2.4 Needs Assessment/ response option analysis</p> <p>Project progress reports.</p> <p>Minutes of meetings & workshop records of focus group discussions.</p> <p>M&E activity records.</p> <p>2.2.5-2.2.6 market and</p>	

		<p>processing & marketing knowledge, management and enterprise development (disaggregated by sex)</p> <p>2.2.5 Status of assessments conducted by sub-sector/ value chain segment</p> <p>2.2.6 Number of smallholders linked to supply and market chains</p> <p>2.2.7 Number of people whose awareness of high value crops is raised through a communication campaign</p>			<p>supply chain analysis document/Documents from national consultation and lesson learned exercises</p> <p>2.2.7 Communication material and short documentaries recorded/broadcasted showing results.</p>	
	3.1 Support services to small scale businesses and young entrepreneurs are created,	3.1.1 Number of business facilities or business programmes created or supported by the project	3.1.1 0 (2018)	3.1.1 1-4 (2021)	3.1.1 grant contract awards and grant monitoring reports	