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صندوق الإصلاح والتعافي وإعادة إعمار العراق

IRAQ REFORM, RECOVERY & RECONSTRUCTION FUND

IRAQ REFORM, RECOVERY AND RECONSTRUCTION TRUST FUND ANNUAL PROGRESS REPORT TO DEVELOPMENT PARTNERS 2022



THE WORLD BANK
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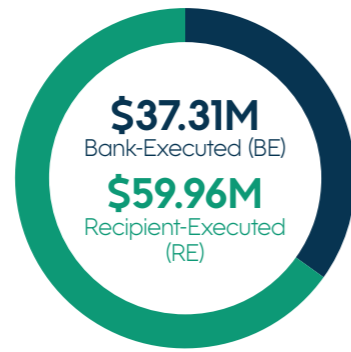
THE I3RF AT A GLANCE 2022

Total Contributions



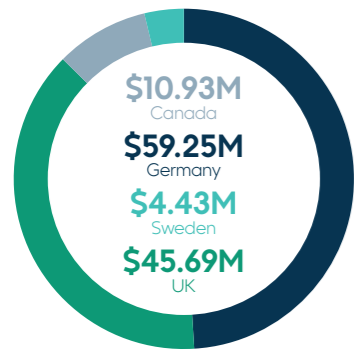
\$120.30M

Allocations as per the Endorsed Work Plan



\$97.27M

Contributions by Donor



+ **\$6M**
Unallocated amount for agile I3RF support to **new priorities**

\$31.13M
Disbursement to date

31 projects under the Fund

21 Bank-Executed activities
10 Recipient-Executed activities

These include 4 projects with both RE and BE components

Projects contributing to Gender Equality and Women's Empowerment

18 Projects Contributing to Economic Empowerment of Women and Girls
18 Projects Contributing to Improving Data on Gender
9 Contributing to Improving Laws and Policies Affecting Women



18 Projects with **Climate Adaptation and Mitigation Considerations**

9 Projects Directly or Indirectly Supporting the **Nationally Determined Contributions for Iraq**

*Data as received from the teams

143 Knowledge Sharing or Learning Activities to Disseminate I3RF Analytical Works since 2020



28 Iraqi Government Counterparts Involved for the 3rd year in a row

16 Projects with Impact at the **National Level**

17 Governorates targeted by I3RF Projects

19 Projects including a response to the **COVID-19** pandemic



TECHNICAL ASSISTANCE

24 Projects out of which 20 are active



ADVISORY SUPPORT

18 Projects out of which 16 are active



ANALYTICS

19 Projects out of which 18 are active



RECIPIENT-EXECUTED

10 Projects out of which 4 are active

OBJECTIVES

Foster socio-economic reform, recovery and reconstruction across a range of sectors through innovative pilot programs and targeted co-investments that complement or improve the effectiveness of government programs, including IBRD-financed programs;

Support the GoI's longer-term reform agenda with a focus on economic diversification and private sector-led growth through analytical work, capacity building, and technical assistance;

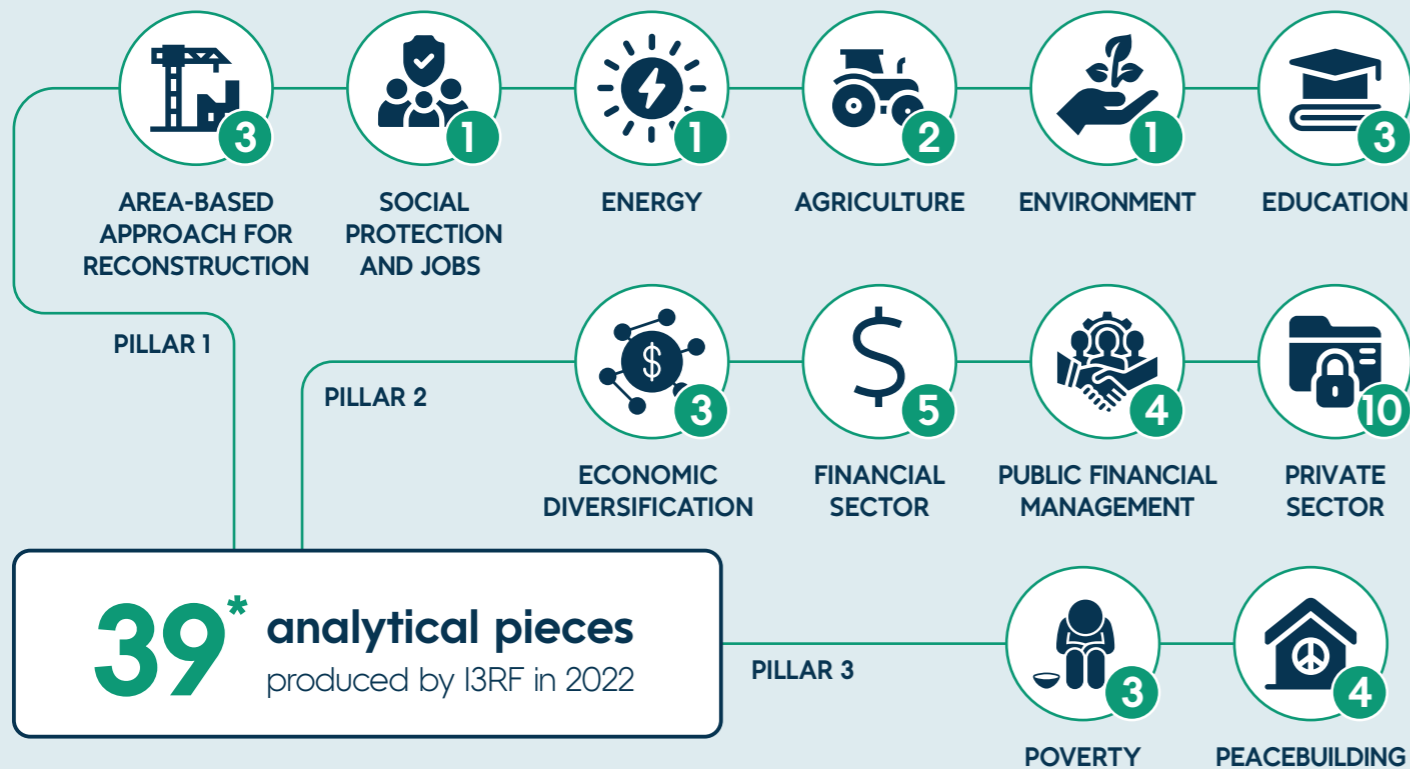
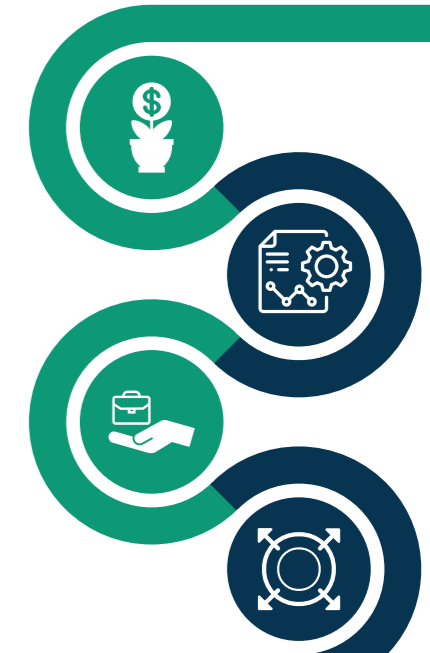
Strengthen the enabling environment and identify practical opportunities for private sector financing of reconstruction in line with the "Maximizing Finance for Development" (MFD) principles; and,

Strengthen institutional arrangements to facilitate policy dialogue, coordination, and monitoring of government reform and reconstruction efforts at national and sub-national levels

CROSS-CUTTING OBJECTIVES

Integrating a **fragility and peacebuilding lens** in reconstruction and recovery investments

Ensuring programs promote **gender equality and community engagement** as well as target youth, women, and the most vulnerable populations, including the displaced and people with disabilities



Total: 78 Analytical Pieces Produced Since 2020

* Includes one Joint Deliverable between the SPJ and Poverty teams



Iraq Country Climate and Development Report (CCDR)

This Iraq Country Climate and Development Report (CCDR) prioritizes actions in three focus areas:

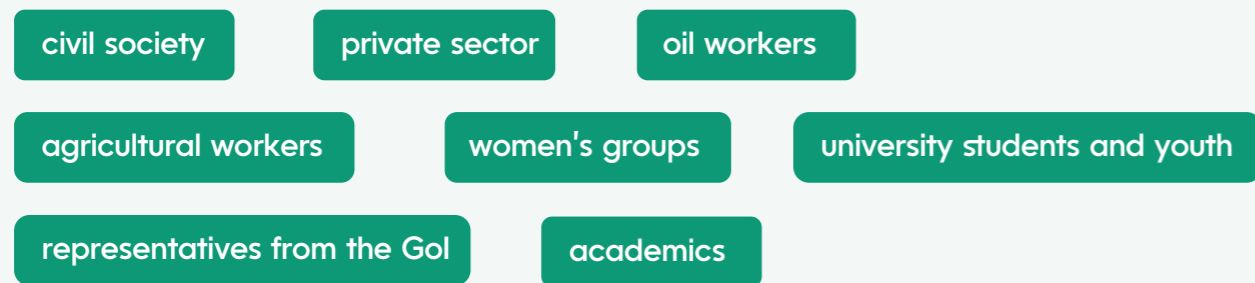


Its recommendations aim at closing development gaps and setting the country on a path toward a greener and more resilient economy in 2022–40.

The Iraq CCDR adopts a "people centric" approach to achieve a deeper understanding of current climate change effects and potential impact of low-carbon transition on vulnerable groups.

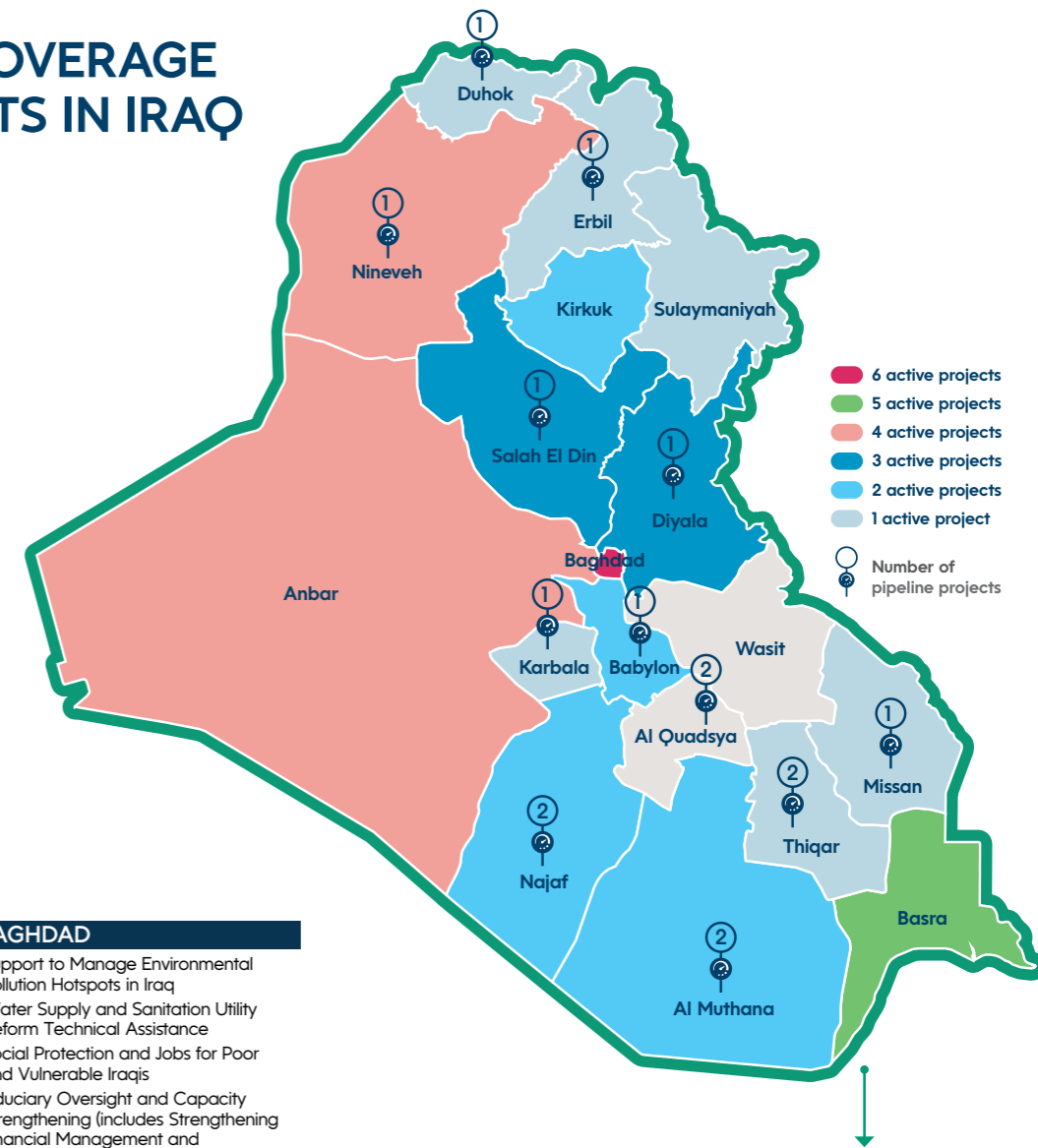


Consultations include:



Link: <https://openknowledge.worldbank.org/handle/10986/38250>

GEOGRAPHIC COVERAGE OF I3RF PROJECTS IN IRAQ



NINEVEH

- Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq
- Support to Manage Environmental Pollution Hotspots in Iraq
- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)
- Iraq Road Maintenance Microenterprises Grant Project

ANBAR

- Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq
- Support to Manage Environmental Pollution Hotspots in Iraq
- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)

DIYALA

- Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq
- Support to Manage Environmental Pollution Hotspots in Iraq
- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)
- Iraq Road Maintenance Microenterprises Grant Project

SALAH EL DIN

- Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq
- Support to Manage Environmental Pollution Hotspots in Iraq
- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)
- Iraq Road Maintenance Microenterprises Grant Project

THIQR

- Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements
- Support for Improved Farm Management
- Protecting and Promoting Human Capital in Iraq – An Economic Inclusion Pilot (EIP)

BABYLON

- Support to Manage Environmental Pollution Hotspots in Iraq
- Support to Tertiary Education in Iraq
- Support for Improved Farm Management

ERBIL

- Social Protection and Jobs for Poor and Vulnerable Iraqis
- Support for Improved Farm Management

KIRKUK

- Support to Manage Environmental Pollution Hotspots in Iraq
- Social Protection and Jobs for Poor and Vulnerable Iraqis

BAGHDAD

- Support to Manage Environmental Pollution Hotspots in Iraq
- Water Supply and Sanitation Utility Reform Technical Assistance
- Social Protection and Jobs for Poor and Vulnerable Iraqis
- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)
- Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq

BASRA

- Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements
- Social Protection and Jobs for Poor and Vulnerable Iraqis
- Support to Tertiary Education in Iraq
- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)
- Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq

MISSAN

- Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements
- Innovations Towards Learning in Lagging Iraqi Governorates

AL MUTHANA

- Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements
- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)
- Innovations Towards Learning in Lagging Iraqi Governorates
- Iraq Road Maintenance Microenterprises Grant Project

SULAYMANIYAH

- Social Protection and Jobs for Poor and Vulnerable Iraqis

NAJAF

- Social Protection and Jobs for Poor and Vulnerable Iraqis
- Support to Tertiary Education in Iraq
- Iraq Road Maintenance Microenterprises Grant Project
- Support for Improved Farm Management

DUHOK

- Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)
- Iraq Road Maintenance Microenterprises Grant Project

AL QUADSYA

- Innovations Towards Learning in Lagging Iraqi Governorates
- Iraq Road Maintenance Microenterprises Grant Project

KARBALA

- Support to Tertiary Education in Iraq
- Iraq Road Maintenance Microenterprises Grant Project

NATIONAL LEVEL

- Revitalizing the Agriculture Sector in Iraq
- Social Protection and Jobs for Poor and Vulnerable Iraqis
- Support to Education and Skills Development in Iraq
- Support to Tertiary Education in Iraq
- COVID-19 Response and Health System Strengthening
- Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination Through Third Party Monitoring
- Iraq Economic Diversification and Growth ASAs (includes the Reform Matrix and White Paper)
- Iraq Financial Sector
- Analytics and Advisory for Management of Public Resources and Fiscal Federalism
- Debt Management for Recovery and Development
- Enabling Environment for Small and Growing Businesses
- Building Evidence for Policy Making
- Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction
- COVID-19 Adaptation and Recovery Pilot for MSMEs in Iraq (CARP)
- Iraq Household and Socioeconomic Survey (IHSES) III
- Iraq Social Safety Net Enhancement Project



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ABBREVIATIONS AND ACRONYMS

11M-22	First 11 months of 2022
ABA	Area-based Approach
AF	Additional Financing
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
ARADO	Arab Administrative Development Organization
ASA	Advisory Services and Analytics
BDS	Business Development Service
BE	Bank-Executed
BSA	Baghdad Sewage Authority
BWA	Baghdad Water Authority
BWD	Basra Water Department
CAPI	Computer Assisted Personal Interviews
CARP	COVID-19 Adaptation and Recovery Pilot
CBI	Central Bank of Iraq
CBP	Capacity Building Program
CCDR	Country Climate and Development Report
CoMSec	Council of Ministers' Secretariat
CSA	Climate Smart Agriculture
CSO	Central Statistical Organization
CTP	Cash Transfer Program
DGRA	Digital Government Readiness Assessment
DNA	Damage and Needs Assessment
DoE	Department of Education
DTS	Digital Transformation Strategy
EIP	Economic Inclusion Pilot
EITI	Extractive Industries Transparency Initiative
EODP	Emergency Operation for Development Project
EPID	Environmental Protection Improvement Directorate
ESMF	Environmental and Social Management Framework



ESSRP	Emergency Social Stabilization and Resilience Project	IFC	International Finance Corporation	MTI	Macroeconomics, Trade and Investment	RRDP	Recovery, Reconstruction and Development Plan
FAO	Food and Agriculture Organization	IFPRI	International Food Policy Research Institute	MTR	Mid-term Review	SDI	Service Delivery Indicator
FCI	Finance, Competitiveness & Innovation	IFRC	International Federation of the Red Cross/Crescent	NDC	National Determined Contributions	SFD	Social Fund for Development
FCV	Fragility, Conflict and Violence	IHSES	Iraq Household and Socioeconomic Survey	NDVP	National Deployment and Vaccination Plan	SGB	Small and Growing Businesses
FDI	Foreign Direct Investment	ILO	International Labor Organization	NBFI	Non-Banking Financial Institutions	SME	Small and Medium Enterprise
FIU	Financial Intelligence Unit	ISIS	Islamic State of Iraq and Syria	NGO	Non-Governmental Organization	SOB	State-Owned Bank
FPSC	Federal Public Service Council	KRG	Kurdistan Regional Government	NPC	National Payment Council	SP	Social Protection
FSAP DM	Financial Sector Assessment Program Development Module	KRI	Kurdistan Region of Iraq	NRA	National Risk Assessment	SPC	Social Protection Commission
G2P	Government to Person	KRSO	Kurdistan Regional Statistics Office	OPEC	Organization of Petroleum Exporting Countries	SPJ	Social Protection and Jobs
GBV	Gender-Based Violence	M&E	Monitoring and Evaluation	P2G	Person to Government	SPSP3	Third phase of the Social Protection Support Program
GCC	Gulf Cooperation Council	MENA	Middle East and North Africa	PCD	Public Contracting Directorate	SSN	Social Safety Net
GCCIA	GCC Interconnection Authority	MFI	Microfinance Institution	PDD	Public Debt Directorate	TA	Technical Assistance
GCT	General Commission for Taxes	ML/TF	Money Laundering/Terrorist Financing	PER	Public Expenditure Review	TCP	Transport Corridor Project
GDP	Gross Domestic Product	MoA	Ministry of Agriculture	PFM	Public Financial Management	TF	Trust Fund
GEF	Global Environmental Facility	MoB	Mayorality of Baghdad	PIE	Project Implementation Entity	ToR	Terms of Reference
GHG	Greenhouse Gases	MoCHMPW	Ministry of Construction, Housing, Municipalities and Public Works	PIU	Project Implementation Unit	TPMA	Third-Party Monitoring Agent
GIPL	Governance, Inclusion and Peacebuilding Lens	MoE	Ministry of Education	PMT	Project Management Team	UK	United Kingdom
GIS	Geographic Information System	MoEnv	Ministry of Environment	PMU	Project Management Unit	UN	United Nations
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	MoF	Ministry of Finance	POM	Project Operational Manual	UNESCO	United Nations Educational, Scientific and Cultural Organization
GoI	Government of Iraq	MoH	Ministry of Health	POP	Persistent Organic Pollutants	UNICEF	United Nations Children's Fund
GP	Global Practice	MoHESR	Ministry of Higher Education and Scientific Research	PRS	Poverty Reduction Strategy	VR	Vaccine Recipients
HCI	Human Capital Index	MoI	Ministry of Industries	RDF	Reconstruction and Development Framework	WB	World Bank
I3RF	Iraq Reform, Recovery and Reconstruction Fund	MoLSA	Ministry of Labor and Social Affairs	RE	Recipient-Executed	WBG	World Bank Group
IBRD	International Bank for Reconstruction and Development	MoO	Ministry of Oil	ReFAATO	Reconstruction Fund for Areas Affected by Terrorist Operations	WEAI	Women's Empowerment in Agriculture Index
ICT	Information and Communication Technology	MoP	Ministry of Planning	RES	Rapid Enterprise Survey	WFP	World Food Program
IDP	Internally Displaced Person	MoWR	Ministry of Water Resources	RFP	Request for Proposal	WHO	World Health Organization
		MSME	Micro, Small and Medium Enterprise	RIMP	Refugee Investment and Matchmaking Platform	WSS	Water Supply and Sanitation
				RMC	Reform Management Cell	y/y	year-on-year

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1. OVERVIEW

1. The Iraq Reform, Recovery and Reconstruction Fund (I3RF) was founded in partnership with the Government of Iraq (GoI) in 2018 and is funded by Canada, Germany, Sweden and the United Kingdom (UK). The Trust Fund (TF) provides a platform for financing and strategic dialogue for reconstruction and development in Iraq, with a focus on promoting targeted national reform efforts and improving the effectiveness of public and private investments in socio-economic recovery and reconstruction. The I3RF also aspires to support gender equality, the climate change agenda, peacebuilding, and citizen engagement in Iraq.
2. **Since its inception in November 2018, the I3RF has been working closely with the GoI to inform its reform agenda.** The I3RF has been continuously engaging with **28 government counterparts** to support the implementation of the reform agenda and develop concrete action plans through technical assistance (TA), advisory and analytical work. **Since 2019, the I3RF has funded the production of 78 analytical works which have informed policy and programming in Iraq, and 143 knowledge sharing and learning activities to disseminate the analytical work produced. In 2022 alone, the I3RF produced 39 multi-sectoral analytical works to inform policy and programming in Iraq (cf. Annex 1).** The Bank-Executed (BE) activities of the Fund have been progressing and achieving their intended objectives. Seven of the BE activities are expected to close in the coming 4 months. There are currently 10 Recipient-Executed (RE) active and pipeline projects in the I3RF portfolio, with a total budget of US\$59.96 million.

TABLE 1: NUMBER OF LINE MINISTRIES AND GOVERNMENT ENTITIES INVOLVED IN I3RF PROJECTS 2020-2022



TABLE 2: TYPE OF SUPPORT TO THE GOVERNMENT OF IRAQ 2022

■ Initiated/Active
■ Pipeline



3. Key I3RF developments from 2022:

- i. The I3RF currently has **4 donors (Canada, Germany, Sweden and the UK)** who have committed **US\$120.30 million**, of which US\$100.07 million was received.
 - ii. I3RF projects in 2022 have informed **policy and programming** in reconstruction, agriculture, environment, energy, social protection, education, public financial management, the financial sector, the private sector, economic diversification, poverty programming and peacebuilding. The Fund is also supporting the GoI to build coordination systems to manage reform efforts.
 - iii. The **Results Framework** of the Fund was endorsed on August 21, 2022 at the 10th Steering Committee meeting and implementation of the communications strategy agreed with the Ministry of Planning (MoP) and donors has begun.
 - iv. **One new project was endorsed by the I3RF Steering Committee in 2022**, titled "Iraq Social Safety Net Enhancement Project" for US\$5,000,000.
 - v. A series of meetings led by the WB and MoP were held over September 21–October 11, 2022, **to review the I3RF portfolio**.
4. The I3RF Steering Committee, co-chaired by the GoI's MoP met twice in 2022 to discuss the strategic direction of the I3RF. The Donor Reference Group met regularly

to discuss progress, coordinate efforts, and several sector and project specific technical discussions were organized by the Secretariat. The meetings organized by the I3RF Secretariat continued to include more participation from relevant line ministries and Development Partners, beyond the members of the Steering Committee. Steering Committee meetings co-chaired by MoP and the World Bank (WB), also included active participation by representatives from the Ministry of Finance (MoF), the Council of Ministers' Secretariat (CoMSec), the private sector, and the United Nations (UN).

5. **Structure of the fourth I3RF annual report:** This I3RF annual report focuses strongly on results achieved from the different projects supported by the Fund. The report starts with an update on the country context and sectoral developments, followed by a section on "Results and Highlights" covering the progress of several projects in 2022. The next section presents an overview of the I3RF portfolio before sharing operational updates from the past calendar year. The final sections provide a financial overview and convey the Fund's ambition for 2023. The annexes detail results and progress of all projects under the I3RF, and tabulate results achieved up to 2022. The data cut-off date for this report was November 30, 2022.



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2. COUNTRY CONTEXT AND SECTORAL DEVELOPMENTS

6. **Iraq's economy is rebounding thanks to rising oil output and a recovery in domestic economic activity after the pandemic.** After expanding by 3.6 percent in 2021, real Gross Domestic Product (GDP) growth accelerated to 9.2 percent year-on-year (y/y) in the first half of 2022. This strong growth was largely driven by an increase in oil production as Organization of Petroleum Exporting Countries (OPEC+) production cuts were tapered to meet higher global oil demand which extended into the third quarter of 2022. Non-oil GDP also grew by 5.2 percent y/y, supported by a strong expansion of the non-oil industry, services, and agriculture sectors.
7. **A broad-based economic recovery has yet to fully materialize, in part due to intensified political fragilities; however, the confirmation of a new government in October 2022 may reinvigorate reform implementation.** For almost a year since the parliamentary elections in October 2021, the economy was impacted by heightened political and economic uncertainties due to the political impasse in forming a new government. The lack of a budget for 2022 limited current expenditures to levels in the previous year and put new investment projects on hold. Legal and political challenges barred the caretaker government from passing new legislation; this impacted the implementation of the government of Iraq's plan of reforms. A new government was finally confirmed into office in late-October 2022, signaling an important first step towards restoring accountability and reinvigorating the implementation of economic reforms.
8. **Higher government oil revenues, driven by increased export prices and quantities, have significantly strengthened the fiscal position and international reserves.** Total government revenues surged by almost 59 percent (y/y) in the first 11 months of 2022 (11M-22) as average oil export prices rose to almost US\$98 per barrel and export volumes

gradually increased. In the absence of a budget for 2022, total expenditures grew by a moderate 2 percent, as spending was capped at one-twelfth of the previous year's expenditures per month. While this expenditure restriction curbed pro-cyclical discretionary spending, budget rigidities relating to a high wage bill and subsidies remained significant. As a result, the overall fiscal balance registered a surplus of over 16 percent of GDP in 11M-22. The surge in crude oil export revenues has enhanced Iraq's external position. Notwithstanding lower Foreign Direct Investment (FDI) inflows, the more favorable external position increased the Central Bank of Iraq's (CBI) international reserves to a record US\$92.4 billion in November 2022; international reserves now cover more than 14 months of imports.

9. **Persistent high oil prices bode well for Iraq's economic outlook, but global**

demand is expected to gradually weaken. GDP growth is forecast to accelerate to 8.7 percent in 2022 driven by strong oil GDP growth of 12 percent. Oil GDP is slightly below previous projections following the reduction in OPEC+ production quotas in the last quarter of 2022. Non-oil GDP in 2022 is also projected to expand at 5 percent, faster than the rate of potential growth, while non-oil growth is expected to be supported by stronger non-oil industry and services activity. Growth is expected to gradually ease over the medium-term as oil production slows in response to falling global demand. Crude oil production capacity growth will also be constrained by under-executed government investment during the pandemic and the absence of a 2022 budget. Beyond 2022, non-oil growth will be supported by a rebound in religious tourism, but restricted by water and electricity shortages and a softening of domestic demand in the absence of growth-

enhancing reforms. With oil prices projected at over US\$90 per barrel in 2022–24, strong oil export revenues are expected to keep fiscal and external accounts in significant surplus.

10. **Downside risks to the economic outlook relate to further weakening of global demand, insecurity and political instability, and renewed inflationary pressures.** Rising food prices exacerbate pre-existing poverty trends and increase food security risks. Risks of social unrest would be compounded by any further erosion of purchasing power due to inflation, and continued electricity and water shortages.
11. **Vulnerabilities could further be amplified by intensifying climate change shocks both in physical (temperature rise, water scarcity, extreme events) and financial terms.** For example, while the agriculture sector provides an opportunity for economic

diversification, water scarcity and suboptimal quality impose significant risks to Iraq's agri-food systems. Lower water availability and crop yield adversely affect GDP and sectoral outputs and add to the socio-economic challenges by negatively impacting labor demand and productivity, particularly for unskilled labor. Bridging Iraq's development gaps and climate change vulnerabilities therefore requires broad adaptation efforts, with a focus on the water-agriculture-poverty nexus.

12. **Furthermore, Iraq's dependence on oil leaves it vulnerable to new economic risks amid the global transition towards a decarbonized world.** Oil's prominent role in fueling the global economy will gradually diminish in a decarbonized world. The focus of mitigation measures should therefore be on bridging the supply-demand gaps while decarbonizing Iraq's energy value chain and managing the macro-fiscal implications of the transition to a low-carbon economy.

13. **A new government was confirmed into office in October 2022, marking a new opportunity to implement reforms towards economic diversification, tackling longstanding structural challenges and addressing climate challenges.** For almost a year after the parliamentary elections in October 2021, the economy was impacted by heightened political and economic uncertainties due to the political impasse in forming a new government. The new government is well placed to reinvigorate the implementation of much needed reforms to lodge the economy on a sustainable growth path that is resilient to oil price shocks and to Iraq's mounting climate change challenges. Safeguarding part of the oil windfall for future downturns and investing some of the additional revenue to enhance the productive capacity and to promote economic diversification are critical for sustainable and inclusive growth. Iraq's intertwining development and climate realities require an urgent call for adaptation and mitigation actions that can bring growth and productivity gains. However, the fiscal implications of these packages are significant if not accompanied by fiscal and structural reforms. There is also a risk that higher oil prices will lower the drive for reform which would deepen structural economic challenges.



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3. I3RF RESULTS AND HIGHLIGHTS

14. This section presents results and highlights of active projects under the Fund and is structured around the I3RF's 3 main pillars.

3.1 PILLAR 1 – SOCIO-ECONOMIC RECOVERY AND RECONSTRUCTION

15. This pillar aims to leverage grant funding to support innovative pilot programs, and complements or co-invests in government programs, with a focus on International Bank for Reconstruction and Development-financed (IBRD) programs to improve their effectiveness.

3.1.1 Revitalizing the Agriculture Sector

Relates to the Results of the Project: Revitalizing the Agriculture Sector (P171561/P178385)

16. The project aims to deliver policy recommendations and innovative approaches to digital transformation and climate-change adaptation in the agri-food system, and to promote labor participation of women in the sector.

17. The activity is an initial step towards longer-term modernizing of Iraq's agri-food sector and maximizing its contribution to employment, economic recovery, diversification, and resilience. It aims for an in-depth transformation process through a 3-track approach: Policy Formulation and Capacity Building (track 1), Social Inclusion (track 2), and Technological Innovation (track 3).

18. In 2022, significant progress has been made under the Pro- Women's Empowerment in Agriculture Index (WEAI). The activity has developed and piloted the WEAI survey questions and manual in line with the Iraqi context in order to track women's roles, the extent of rural women's engagement in decision-making related to

agricultural production, control over income use, and community leadership. Based on the customized Pro-WEAI tool for Iraq, an e-learning was provided to the staff of the Ministry of Agriculture (MoA) and Women's Directorate in order to identify major areas of women's disempowerment and hence inform gender-sensitive interventions to improve women's lives and livelihoods. The module is hosted on the International Food Policy Research Institute's platform (IFPRI) and can be used also by other Middle East and North Africa (MENA) countries at Module login: [Link](#).¹

19. In addition, in June 2022, an e-learning on **Climate Smart Agriculture** took place which aimed to present the concept of climate smart agriculture, provide information about climate change impacts on the agri-food sector of Iraq, and describe the required mitigation and adaptation measures. The training was attended by representatives from the MoA, Ministry of Environment (MoEnv), the private sector, Non-Governmental Organizations (NGOs) and academia. **The activity also produced the Conceptual framework of Digital Agrifood Platform for Iraq report** which outlines the opportunities and challenges of establishing

BOX 1: EXPECTED BENEFICIARIES UNDER THE AGRICULTURE PIPELINE PROJECT

The Support for Improved Farm Management and Piloting Models of Aggregation in Iraq (P173503) is an RE project currently being designed jointly by the WB and MoA teams and will be implemented by the Food and Agriculture Organization (FAO). It aims to deliver proof of concept for an innovative aggregation model to enhance productivity, commercialization, and climate resilience in the dairy supply chain in selected regions of Iraq. **The expected number of direct beneficiaries is 5250 smallholder farmers of which 50 percent will be women, and 50 percent will be youth.** Indirect beneficiaries include marketing businesses (wholesalers and retailers), public and private service providers, and other non-state institutions involved in the selected agricultural value chains.

a digital dashboard and farmers registry for the Iraq food system and was delivered by the contractor in July 2022. After the WB's technical editing and translation, it will be disseminated to the relevant stakeholders.

3.1.2 Mapping Environmental Hotspots in Conflict-Affected Governorates

[Relates to the Results of the Project: Support To Manage Environmental Pollution Hotspots In Iraq \(P173049\)](#)

20. **The project aims to support Gol to analyze environmental hotspots and prioritize rehabilitation and clean up actions.** It will help establish a framework for sound management of environmental and conflict pollution hotspots in Iraq in order to mitigate health and safety risks and contribute to local economic development through remediation.
21. **In 2022, the project has significantly advanced, entering the final stages of completion and is on track to achieve its objectives as envisaged.** The project has been able to achieve two distinct results (i) Inventory and assessment of environmental hotspots and (ii) capacity building of Gol agencies. With regard to (i), the project (a) has identified 81 environmental hotspots in seven conflict-affected governorates through satellite mapping and field inventory; (b) conducted assessments in 77 sites; (c) prepared detailed maps for all 77 sites assessed; (d) developed a Web Geographic Information System (WebGIS) for continuous monitoring and update of hotspot data; (e) identified 5 sites as very high risk and 14 sites as high risk sites; and (f) is developing a roadmap for the remediation of hotspots in the country. The officials of MoEnv and Ministry of oil (MoO) were involved in carrying out these activities, so that their technical capacity is improved through a 'learning by doing approach'. In addition, specific technical training programs (one in 2021 and 4 in 2022) were provided to a total of 95 participants (30 in 2021 and 65 in 2022) over the past two years. These included (a) comprehensive training on concept, assessment and remediation of contaminated sites (June 2021); (b) field assessment and environmental

sampling of hotspots (March–August 2022); (c) Laboratory Analysis of hazardous chemicals (August 2022); (d) satellite and GIS mapping of environmental hotspots (October 2022); (e) assessment of costs of environmental degradation (November 2022). As a follow up to the ongoing BE project, and as endorsed by the I3RF Steering Committee, the team is now working with MoEnv on a US\$5 million RE project that helps Gol in developing and implementing remediation plans in priority sites. The proposed components of the RE will include (i) preparation of detailed remediation plans for one or two priority sites; (ii) implementation of remediation plan in one or two sites (depending on time and fund availability); (iii) procurement of laboratory and other infrastructure for the analysis and assessment of environmental hotspots; (iv) preparation of an implementation plan for the remediation of environmental hotspots in Iraq and (v) development of policies, regulations and standards for implementing the hotspots remediation program.

BOX 2: RESULTS OF THE ENVIRONMENTAL POLLUTION HOTSPOTS PROJECT

The Support to Manage Environmental Pollution Hotspots In Iraq project identified **81 environmental spots with a combined contaminated area of about 25,700 hectares impacting about 55,000 people in 7 governorates and built the capacity of 95 officials in 3 ministries of the Gol.**

3.1.3 Strengthening Social Protection Frameworks and Schemes

[Relates to the Results of the Projects Social Protection and Jobs for Poor and Vulnerable Iraqis \(P171639\) and Protecting and Promoting Human Capital in Iraq – An Economic Inclusion Pilot \(EIP\) \(P174422\)](#)

22. **The Social Protection and Jobs for Poor and Vulnerable Iraqis is a TA program that aims to continue supporting the Ministry of Labor and Social Affairs (MoLSA) to develop a resilient Social Safety Net (SSN) System and to provide the analytical base to pilot interventions to increase access to employment opportunities for the poor and vulnerable, including youth and women.**

Launched in November 2019 with majority I3RF financing, and further financing from the Partnership for Economic Inclusion, the social protection aspect of the assistance focuses on enhancing the system and better understanding poverty and vulnerability. The jobs-related aspect aims to collect data to better understand the private sector in Iraq, its job creation, the skills of its workforce, and its future needs; and establishing the foundation for Iraq's first economic inclusion pilot through knowledge-building, knowledge-sharing and concept development.

23. **Under the Social Protection Support Program**, currently in its third phase (SPSP3), several important activities were completed: (1) an assessment of MoLSA's Social Protection Commission Information and Communication Technology (ICT) systems and infrastructure; (2) cleaning and improving of data quality in existing databases; (3) improving databases' cybersecurity, and provision of relevant training and capacity building at the level of the ministry. The capacity building programs included 5 courses on data cleaning and quality, cybersecurity and system development, in addition to on-the-job training (5 courses, 2 weeks, 15 participants for each), using the proper tools, on server installation and configuration. The program also included a system development course to prepare IT staff to contribute to the existing system development. This work feeds into a new I3RF-funded project, the "Iraq Social Safety Net Enhancement Project", which is being prepared. Moreover, a report was completed that focused on gaps between humanitarian and government social protection beneficiaries, with recommendations for promoting gradual inclusion of humanitarian beneficiaries into the government program.

24. **The skills and private sector analysis** component has completed all 3 surveys (informal sector enterprise survey, World Bank Enterprise Survey and Micro-Enterprise survey). Initial findings from the informal sector survey were discussed with the government, with additional discussions to be had on the methodology. The findings of the other two surveys will be presented to the government once ready, with additional discussions on the methodology.

¹ <http://elearning.foodsecurityportal.org/course/view.php?id=11&lang=ar>

BOX 3: SURVEYS CONDUCTED UNDER THE SOCIAL PROTECTION AND JOBS FOR POOR AND VULNERABLE IRAQIS PROJECT

The World Bank Enterprise Survey covers 1032 enterprises around the country. The microenterprise survey has a final sample of 480 enterprises in 4 cities, and the informal sector enterprise survey has a final sample of 1996 economic activities, representative at the city level and includes 160 female-owned businesses.

25. The Economic Inclusion Pilot project aims to provide livelihood opportunities to poor households to mitigate the impact of the COVID-19 and economic crises. The project will offer training, coaching, mentoring and assets to 2200 households in the South to start self-employment activities. The pilot will be implemented in the rural/semi-rural areas of ThiQar and will target households from among beneficiaries of the Cash Transfer Program (CTP) which is administered by MoLSA. The pilot will undergo an impact evaluation that will help inform poverty-

alleviation and sustainable livelihood agendas in the country and pave the way towards the possible scale-up of the intervention.

26. The RE component of the project has not been declared effective yet, but progress was made under the BE component. The WB team has launched a number of preparatory activities in close consultation and collaboration with the Project Management Unit (PMU), which include (i) market assessment and service mapping in ThiQar, based on which a list of economic activities has been identified and is currently being further validated through additional field work; (ii) review of relevant existing training curricula at MoLSA, which are deemed to be relevant to the training that will be offered through the pilot; (iii) assessment of possible beneficiary profiles; (iv) design of the pilot Management Information System; (v) preparation of outreach plan and material; and (vi) design of the pilot's impact evaluation.

demands to improve human capital development. The Support to Education and Skills Development in Iraq project aims to strengthen the capacity for delivery of quality education services through 3 pillars: (i) Improved education sector inputs and diagnostics; (ii) Strengthened education strategies and policies; and (iii) Higher education sector pilots to promote labor market relevant skills development. The activities finance knowledge exchange, capacity building, analytical work and small pilots, and provide the evidence and institutional capacity needed for future education and that feed into other operations including I3RF financed projects.

28. In 2022, the school infrastructure policy and teacher allocation policy note were completed and translated into Arabic awaiting for final official adaptation by the Gol. The Iraqi National Education Strategy draft has been finalized and approved by the WB. Close coordination continues with the Gol for final adaptation, endorsement and dissemination. The aim is for the strategy to be signed and launched in early 2023. The Service Delivery Indicators (SDI) survey has been conducted, data collection is complete, and data analysis is on-going. The report is expected to be finalized in early 2023. The findings will support policymakers and the Ministry of Education (MoE) to better understand and improve on school input factors - including infrastructure, inputs, teachers and principals - and how they contribute to learning (resources, teachers, home, knowledge, background, etc.). The SDI service delivery indicator survey, despite COVID-19-related intermittent school closures, was made possible by the strong partnership between the MoE and WB. During 2021, two additional deliverables were added to strengthen the sector reform process. Firstly, the Iraq Education Reform Plan was completed and published in 2021. The work on the National Assessment Strategy Framework continued during 2022. A series of capacity building workshops on different types of assessments have been conducted for the relevant Iraqi officials. The first draft of the Assessment Strategy was completed and reviewed, and the final draft is currently being developed. For the tertiary education component, the objectives have been fully met. Proposals have been selected for



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BOX 4: RESULTS OF THE ECONOMIC INCLUSION PILOT TO DATE

In preparation to implementation, the project has already: (i) Identified 8 economic activities through the market assessment; (ii) Gathered demographic and socio-economic characteristics of the 8000 possible beneficiaries in the identified Nahyas; and (iii) Assessed key strengths of existing ministry curricula to be leveraged in the pilot; (iv) Identified key thematic areas for monitoring and impact evaluation.

3.1.4 Strengthening the Gol's Capacity to Provide Quality Education Services for Improved Human Capital Development

Relates to the Results of the Projects Support to Education and Skills Development in Iraq (P171165), Support to Tertiary Education in Iraq (P175694) and Innovations Towards Learning in Lagging Iraqi Governorates (P175721)

27. Iraq's education sector is facing a multitude of challenges across key dimensions (equity, quality, access, input and capacity), which are exacerbated by multiple crises. The lack of diagnostics, strategies, and proven pilots prevent the Gol from undertaking evidence-based planning for many competing

funding under the I3RF project "Support for Tertiary Education in Iraq".

29. **The Support to Tertiary Education in Iraq project aims to support Gol's effort to address employability of university graduates by developing institutional capacity in disciplinary areas of tertiary education that support national development priorities.** The project, with BE and RE components, will fund the following activities: (1) supporting the development of projects for establishing centers of excellence in two national development priority areas – agriculture and renewable energy; (2) developing and increasing training capacity and outputs in solar energy; (3) strengthening partnerships between tertiary education institutions, the private sector and international institutions to improve graduates' employability through a competitive fund program pilot; (4) developing and piloting a graduate monitoring mechanism and carrying out two studies on quality assurance and financing; and (5) project coordination and monitoring.
30. Implementation of the RE component is still not launched; however, the project has been successful in preparing for implementation, as all implementing teams have been trained and infrastructure is in place. BE work has also advanced through close collaboration between the Ministry of Higher Education and Scientific Research (MoHESR) and the WB. The Graduate Tracer System is entering its design stage. In addition, since July 2022, the WB team has introduced and facilitated discussions between MoHESR, University of Baghdad and potential partners who can provide TA to the implementation of some activities under the Project (e.g., in the solar energy training area). The WB team also linked international experts with the teams to review their draft programs/proposals to prepare for implementation (e.g., the Center of Excellence in Agriculture and Veterinary Sciences).
31. **The Innovations Towards Learning in Lagging Iraqi Governorates (P175721) project** aims to enhance teaching practices of 4300 Arabic and Mathematics teachers and improve literacy and numeracy skills among their 300 000 most vulnerable primary

students in 3 lagging Iraqi governorates. The project supports the most vulnerable students to acquire early literacy and numeracy skills through support to 1) schools to create better resourced learning environments and provide catch-up classes, 2) comprehensive teacher training and development, and 3) caregivers to support student learning at home, to holistically promote students' learning. The project will provide a demonstration and allow for later scale up while leveraging ongoing project activities, available resources and implementation capacity, building on proven interventions and already established materials and partnership channels. The project is expected to be declared effective before the end of 2022. The project preparations are going well, with the Project Operational Manual (POM) completed, which is a dated covenant, and steps initiated to create the Designated Account. The project procurement strategy has been prepared by the MoE. Two follow-up implementation support missions were conducted from October 10-19 as well as November 13-17 with representatives from the MoE, MoP and MoF.

3.1.5 Reinforcing the Healthcare System in Light of the Pandemic

Relates to the Results of the Projects: COVID-19 Response and Health System Strengthening (P174641) and Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring (P177038)

32. **The COVID-19 Response and Health System Strengthening project aims to strengthen the Gol's capacity to respond to the COVID-19 pandemic; and to develop innovative models to improve the financing, access to and quality of healthcare services.** This project provides TA and conducts analytical work to inform health policies in two areas: (i) responding to the COVID-19 crisis and (ii) improving access to quality health services. It aims to help the Gol address (i) the urgent needs in pandemic response, and (ii) medium-and long-term health sector reform priorities - especially those related to the operationalization of a national health insurance scheme. It complements ongoing Gol and development partners' efforts in both areas.

33. **In 2022, significant progress was achieved under Component 2** and the following activities were completed: (i) A Health Services Master Plan developed and delivered in August 2022; (ii) Social Health Insurance Roadmap completed and delivered in August 2022. In addition, a capacity building workshop was carried out in October 2022 with additional sessions planned in 2022. Progress has also been made on costing the health benefits package which is expected to be finalized in March 2023. Going forward, given that all activities have been completed under component 1, the work will focus on: (i) completing the costing exercise and its capacity building workshops to support the Ministry of Health (MoH) counterparts in taking-over the exercise post engagement; (ii) a new activity to support a roadmap and operational plan for the accreditation of primary health care clinics in Iraq. The relevant Terms of References (TORs) have been advertised and the activity is expected to be completed in March 2023; and (iii) new just-in-time analytics and advisory services for the roll-out of the health insurance law.
34. **The Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring project is a US\$2 million I3RF grant linked to a parent project (The Iraq COVID-19 Vaccination Project).** This is a US\$98 million IBRD loan that aims to scale up Iraq's health sector response to the COVID-19 pandemic by supporting the rollout of COVID-19 vaccinations to priority population groups and strengthening the institutional systems needed to enable the safe and effective distribution and use of COVID-19 vaccines at scale.
35. **The grant funding covers the costs under Sub-component 2.2 of the parent project to establish a mechanism for third party**

monitoring of COVID-19 vaccination which is aimed at strengthening the systems for deployment of COVID-19 vaccination in Iraq. The grant is supporting the MoH to employ a Third-Party Monitoring Agent (TPMA) to assess the deployment of WB financed COVID-19 vaccines. The key objective of the assignment is for the MoH and WB to receive independent validation of the compliance of the vaccination deployment with the Iraq COVID-19 National Deployment and Vaccination Plan (NDVP), World Health Organization (WHO) standards, and WB requirements reflected in the legal agreements, Environmental and Social Management Framework (ESMF), and the POM, at (i) the key points in the supply chain and (ii) vaccination sites from technical, environmental and social safeguards perspectives. The International Federation of the Red Cross/Crescent (IFRC), which was selected as the TPMA, has submitted multiple weekly, monthly and quarterly reports which have led to course-correction and helped fine-tune vaccine deployment. To date, IFRC has monitored 2001 vaccination sites, 1929 vaccine recipients, 3494 healthcare providers, and 84 ultra-freezing sites.

BOX 5: FINDINGS FROM THE HEALTH PROJECT

A close look at the data shows that **most of the population preferred a walk-in registration to receive their vaccination rather than registering through an automated online system.** Although 72 percent of Vaccine Recipients (VRs) in the first quarter rated the vaccination website as extremely easy to use, only 20 percent have scheduled an appointment online. 67 percent of VRs who scheduled an appointment online have rated the registration via the vaccination website as an extremely easy.

3.2 PILLAR 2 – ECONOMIC DIVERSIFICATION AND PRIVATE SECTOR-LED GROWTH

36. This pillar aims to provide technical assistance and support to the GoI to develop and coordinate a comprehensive set of reforms to advance on a diversification agenda and enhance private sector-led growth.

3.2.1 Support for the Reform Management Cell (RMC)

Relates to the Results of the Project: Economic Diversification And Growth (PI76098)

37. The project aims to support the decision-making process by enhancing the monitoring platform and the reporting cycle of the Reform Management Cell (RMC), relying on evidence based on performance data collection and analysis. It provides policy options and supports reforms focusing on diversification, private sector-led growth and job creation. It focuses specifically on 3 areas 1) on-demand policy support for the High Reform Council and the RMC for the GoI White Paper implementation; 2) policy support in the areas of macro-economic sustainability and growth; and 3) policy dialogue on modernizing Iraq's trade and foreign investment policies.

38. The project is currently in its second phase. The first phase had provided inputs to the drafting of the White Paper and WB Country Economic Memorandum. Support areas were identified at the project design stage following consultations with MoF and MoP which resulted in a request to support the newly established RMC. In 2022, with the support of the WB team, the RMC was able to consolidate, and report on progress on most of the White Paper projects ("Annual Report of the White Paper Projects 2021–2022"). This report includes information on the implementing and supporting agencies for each project; the main achievements; and the main obstacles and challenges faced. It also provides a comprehensive and whole-of-government perspective on progress and challenges in delivering the White Paper. In turn, this provides insights that cut across multiple projects. In addition, the RMC was

also able to establish periodic routines with its ministerial counterparts for most projects in order to receive monthly updates, discuss opportunities for improvement, and recommend actions. This indicates that it is a credible partner for ministries and agencies. Although significant limitations persist in performing this role, the RMC has begun to develop the basis for managing a "tracking and reporting cycle" from the Center of Government, as envisioned in the White Paper's governance model. Regarding the other activities under this project, a training workshop is being prepared to improve Macroeconomic Modeling capacity at the MoP. The possibility of a proposal for Central Statistical Organization (CSO) training is being reviewed.



3.2.2 Progress and New Emerging Priorities in the Financial Sector

Relates to the Results of the Project: Iraq Financial Sector (PI71615)

39. The WB has been working closely with the GoI to improve the stability and integrity of the financial system and access to finance through reforms and capacity building to enhance financial infrastructure, strengthen regulatory and supervisory frameworks, and improve the efficiency and impact of public interventions and state-owned financial institutions. This section describes the results and progress achieved as a result of this I3RF-funded support to the financial sector. The section also highlights emerging priorities in the sector that the I3RF can support.

40. Pillar 1: Strengthening the Foundation for Financial Sector Development

1. Support the implementation of recommendations of the Financial Sector Assessment Program Development Module (FSAP DM)

A reverse mission was held in May 2022 within the context of the WB support to the GoI by providing TA and support in developing and strengthening the financial sector, with particular focus on Core Financial Sector Reforms: Regulatory and Supervisory Reforms, Reforms of State-Owned Banks (SOBs), Access to Finance and Financial Inclusion, Payment System Reforms and Credit Infrastructure Reforms under the I3RF. This reverse mission benefitted from the active participation of the CBI team led by H.E. the Governor and H.E. the Deputy Governor who were supported by their technical teams led by the General Managers of Banking Supervision, Payments, and IT Infrastructure, and by representatives from MoF.

The reverse mission also met the request from the counterparts for a face-to-face opportunity to provide the FSAP findings and to work together to develop a comprehensive plan to implement the FSAP recommendations within the context of the existing programmatic TA. The objectives of the mission were successfully achieved in furthering the ongoing dialogue with Iraqi counterparts through a workshop focusing on a number of areas to 1) Present the results and recommendations of the recently concluded FSAP to H.E. the Governor of CBI and the representatives of MoF and their teams; 2) Discuss the progress of the programmatic work program and agree on implementation of the FSAP recommendations in each of the areas covered by the programmatic technical assistance work program; and 3) Present Green Finance and potential WB support to CBI to build a Green Finance Roadmap.

The reverse mission ended positively with CBI management supporting and endorsing the joint FSAP recommendation implementation roadmap that was developed by the WB/ CBI teams during the workshop. At the conclusion of the meeting, the CBI issued a press release [Link](#) quoting H.E. the Governor's appreciation for the cooperation and

support to the programs provided by the WB to CBI and MoF to reform the financial sector and enhance its role in financing economic development.

BOX 6: EXTRACT FROM THE PRESS RELEASE PUBLISHED BY CBI FOLLOWING THE MISSION WITH THE WB-20 MAY 2022

"The mission focused on methodologies for government bank reform, capacity building, and system support, payments, digital financial services, financial infrastructure, and measures to combat money laundering and terrorist financing. It was agreed to continue joint cooperation between the above-mentioned entities to increase financial depth. The importance of green finance in the face of climate change was also emphasized, and the World Bank expressed its willingness to assist the relevant Iraqi authorities in building a roadmap for expanding the use of clean energy, stressing the importance of the Central Bank of Iraq's initiative to support financing solar energy systems with an amount of one trillion dinars." [Link](#).²

2. National Payments System Strengthening project:

Several workstreams constitute the component focusing on strengthening the National Payments System:

Business continuity plan update: In 2021 the team performed a scoping exercise, together with the CBI team, on the areas to cover in updating the CBI's payment systems infrastructure business continuity plan. This needed to be revised to consider the lessons learned from the COVID-19 response and the upcoming relocation of the CBI into its new premise. The WB experts collated material from the CBI and provided support in identifying key risks that would need to be mitigated, creating a preliminary draft of the updated business continuity plan. In addition, the output of the work consisted of several workshops with the CBI team.

In 2022 the work output resulted in the draft of an updated business continuity plan for the areas in the identified scope. Meanwhile, the TA is also meant to provide training to the CBI staff to increase capacity. The expected result of the activities is the implementation of a business continuity plan that will ensure an efficient continuation of the activities in case of disaster or extraordinary events that would affect operations defined in the scope.

A workshop on cyber security policies for Financial Market Infrastructures was provided. The workshop follows the advice provided in the draft Business continuity plan. A second workshop on IT security policies and employee awareness is being planned.

Assessment of the remittance market in accordance with the General principles for international remittance services: The WB team shared a presentation on the methodology for conducting a formal assessment according to the General principles for international remittance services. The expected result of the activity is understanding the changes needed to respond to increasing competition in the remittances market and reduce costs to benefit remittance receivers. The WB team conducted the assessment through desk research and interviews with the Central Bank. Interviews with market stakeholders are pending. The assessment report is currently a draft pending final integration with interview inputs and some data on remittance flows.

Support the work of the National Payment Council (NPC): Due to the COVID-19 pandemic, the Iraq National payment council halted its operations. The WB team is assisting the CBI in rebooting the work of the NPC. The team has gathered material on the work of the Iraqi NPC. The WB identified and collated material on successful practices adopted in other countries that led to a swift execution of council decisions. This material has been presented to the CBI in the form of a presentation, including recommendations on improving the NPC governance. In addition, during the meeting, the WB and the CBI teams discussed how other countries' practices could be integrated into Iraq. During

the face to face meeting with the CBI, the CBI asked for support to revise NPC council governance to improve the efficiency of the NPC at its next gathering.

Support the creation of an Instant payment service: Instant payment services are becoming more and more present in several countries around the globe, boosting financial inclusion, and improving consumer, corporate, and merchants' experiences. The WB has developed a toolkit on Fast payments. The CBI monitored the instant payment adoption global trend. In 2021, it issued a Request For Information to the fast payment technical infrastructure suppliers, with the goal to issue subsequently a Request For Proposal (RFP) and then develop a fast payment service. The WB team has reviewed the draft RFP and provided comments to the CBI to improve the RFP. In addition, the WB team presented the fast payment toolkit and discussed with the CBI some aspects related to the instant payment implementation. The WB provided a set of comments to the Term of Reference for the RFP on the procurement of a technological platform to manage the instant payment infrastructure.

Agency banking and agency of financial service providers: The CBI issued a regulation to norm agency services related to non-bank financial institutions. However, agency services for banks are not yet allowed. The CBI, starting in 2021 developed a draft regulation for Agency banking and asked the WB team support to review and fine tune the regulation. The WB team reviewed the draft regulation and provided comments. Meanwhile, the WB team developed a draft regulatory proposal on agent services for the financial sector that encompasses different types of financial institutions. The proposal was discussed with the CBI officials, and a new draft circular prepared by CBI was shared with the WB for review.

Oversight on the payment system: No material progress has been achieved in this area during the last 6 months on account of re-allocation of responsibilities between the Payments and Supervision departments. The team continues to provide TA in the renewal and implementation of the oversight

framework on payment systems. The oversight project lies in between the responsibilities of the CBI's payment and the supervision departments, and with the reallocation of responsibilities the team is currently working with both departments to undertake an initial stocktaking of challenges, and developing the implementation plan.

As part of their ongoing discussion to further expand TA coverage to the following **new emerging areas** of interest to the CBI management have been identified in accordance with their recently approved payment sector strategy:

- i. **Acceptance of Iraqi cards among international merchants – NEW:** The CBI presented as a key issue for the take-up of electronic payment the lack of card acceptance at selected merchants for Iraqi cards issued through international schemes. The WB and CBI teams agreed to look more in detail into the issue to identify activities to solve the issue.
- ii. **Government to Person (G2P) and Person to Government (P2G) use case – NEW:** The WB and CBI teams discussed the importance of G2P and P2G payments, following the recent shift to electronic delivery for some G2P use cases like public employee salaries and pensions payments. The teams identified that a common customer practice is to cash out all the received income once received. In this sense, additional work is needed to understand whether would be possible to enable and digitize selected use P2G use cases.
- iii. **Develop a regulation on digital banks and fintech – NEW:** The CBI team expressed concerns regarding the lack of speed in the financial sector innovation vis-à-vis other countries. The CBI asked the WB team to jointly explore the opportunity to develop a regulation for digital banks and fintech. The WB team agreed to look into the topic and organize a session focusing on the issue.

The WB team has agreed to review the request for support and TA in these new areas subject to availability of funding to support these requests.

² <https://cbi.iq/news/view/2005>

3- National Money Laundering/Terrorist Financing (ML/TF) Risk Assessment

International Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) obligations require all countries to complete a National ML/TF Risk Assessment (NRA) to strengthen effectiveness of the national AML/CFT system including the integrity foundations of the financial sector. This international AML/CFT obligation is aimed at ensuring officials have basic tools needed to prevent and detect criminal abuse of the financial system, and the outputs (ie., NRA Report and NRA Action Plan) must be used by officials as the basis for strengthening effectiveness of the AML/CFT system and as a guide for targeted allocation of available resources to fight ML and TF. Iraq commenced its NRA in 2021. As Iraq is using the WB's NRA Tool to guide its NRA, in 2022, the WB team has conducted (virtually) multiple training and capacity building sessions in support of 6 multi-agency NRA Working Groups to collect and analyze ML and TF risks, threats and vulnerabilities in respective sectors and technical areas. The WB team has also conducted technical reviews and provided written comments and feedback on the Draft NRA Chapter Reports for consideration and revision by Iraqi officials before all chapters were collated into a comprehensive NRA report. The comprehensive draft NRA report is expected shortly for the team's technical review. The final output will be the National ML/TF Risk Report and Action Plan (expected in early 2023) which should serve as the foundation on which to improve the National AML/CFT System on the basis of actual risks and threats that Iraq faces, and allocate available resources to mitigate the most serious ML & TF risks.

As part of its ongoing TA and capacity building support, the team has received a request from the Financial Intelligence Unit (FIU) to provide technical assistance to the FIU in several emerging areas within the NRA that the WB team has developed, and these include: (i) Non-profit organizations Risk Assessment; (ii) Legal Persons/Legal Arrangements Risk Assessment; (iii) Virtual Assets/Virtual Asset Service Providers Risk Assessment; and (iv) Environmental Crimes/Natural Resource Sectors Risk Assessment.

The WB team has agreed to review the request for support and TA in the new areas subject to availability of funding and resources to support these requests.

41. Pillar II: Developing Specialized Finance:

1. Microfinance Sector Development: The team continues to make progress in its programmatic technical assistance on Access to Finance, particularly to Small and Medium Enterprise (SME) and Non-Banking Financial Institutions (NBFI) funded by other programs including the development of the regulatory framework for Micro, Small and Medium Enterprise (MSME), and has incorporated this activity as part of the COVID-19 Adaptation and Recovery Pilot: Supporting Firms' Resilience, Access to Finance and Growth in Iraq. The proposal is to provide TA to the CBI to set up a NBFI Unit and support in drafting a Law/Regulation on NBFIs which will assist these firms (including Microfinance Institutions (MFIs) to access finance and improve financial inclusion. The draft regulations will include a standardized definition of MSME which is a key recommendation under the recently concluded FSAP DM.

2. Housing Finance: The team has finalized the draft technical note on Housing Finance and has submitted it for comments to the Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), CBI and MoF. Upon finalization, the team will work with the MoCHMPW, CBI and MoF to provide support and TA to implement the recommendations.

3.2.3 Strengthening the Management of Public Resources and Fiscal Federalism

[Relates to the Results of the Project: Analytics and Advisory For Management of Public Resources and Fiscal Federalism \(P166640\)](#)

42. **The project aims to strengthen fiscal sustainability and transparency, and improve intergovernmental fiscal relations in Iraq.** The activities of the project are centered around 5 pillars: (i) debt management; (ii) digital transformation agenda; (iii) domestic revenue mobilization; (iv) fiscal federalism; and (v) strengthening capacity for crisis management. The activities complement ongoing WB projects. The activities consist of: (i) analytical work and capacity building to inform the design

of further technical assistance (including on revenue mobilization and fiscal federalism); (2) policy dialogue to foster public consultation on fiscal matters (including based on fiscal data analysis); (3) policy advice and capacity building on demand from the government (including to the RMC on Monitoring and Evaluation (M&E) and delivery mechanisms for the implementation of the White Paper; (4) support to economic governance reform management at the center of government; and (5) technical assistance to governance reform implementing agencies, such as MoF (on debt management), the Extractive Industries Transparency Initiative (EITI) secretariat, the Auditor General, the State Council, RMC, General Commission for Taxes (GCT), etc. During 2022, significant progress was achieved as summarized in the following:

43. **On the pillar of debt management,** the WB provided TA to MoF by deploying a debt recording specialist embedded in the Public Debt Department (PDD) to train and assist its staff on using the existing Debt Management and Financial Analysis System. Following the success of the first phase and a request from the counterparts for further support, the WB conducted a series of virtual meetings and workshops, presenting sound practice and international experience on organization of public debt management, legal framework, and back-office functions. A proposal was agreed on in 2022. The WB team has since conducted two week-long missions in person in Baghdad and Erbil focusing on reorganization of the PDD, legal framework, debt recording and debt reporting. A debt report template is currently being rolled out with the support of the WB that will be used for internal and public reporting by the PDD. A draft annotated agenda of a future public debt law has also been shared with authorities and discussion is ongoing with the PDD and MoF legal team.

44. **On the pillar of digital transformation agenda.** The WB team has engaged with CoMSec and provided TA to assist the Gol in (i) conducting a Digital Government Readiness Assessment (DGRA); and (ii) developing a Digital Transformation Strategy (DTS). The DGRA and DTS are major outputs of this TA that assess the status of the ICT sector to aid aspirations in digital development of

the country and transformation of the public sector leveraging digital solutions. Another workstream included providing TA to the Iraq CSO to develop a Payroll System. A workshop was conducted in Erbil, Iraq in July 2022 for government officials from the federal CSO and Kurdistan Regional Government (KRG) MoP. An overview of Human Resources Management Information System implementation best practices was presented, and a draft TOR template was prepared and can be used to hire a consulting firm to support the Payroll Committee in drafting an RFP. This plan was formally approved by CoMSec in September 2022.

45. **On another engagement with MoP, a draft strategy and roadmap for the implementation of an end-to-end e-Government Procurement System in Iraq was developed and discussed with MoP's Directorate for Public Government Contracts.** The draft strategy was prepared based on a series of meetings with various stakeholders from the public and private sectors, organized by MoP, and a review of relevant laws and regulations as well as ongoing initiatives for digitalization of relevant government services, including the ongoing e-Government readiness assessment by CoMSec. It is expected that MoP will submit the final strategy to the Council of Ministers for approval by the end of 2022. The strategy will guide the development and implementation of the e-Government Procurement system, for which US\$ 4.5 million was allocated from the public budget for initial implementation.

46. **Lastly, the WB team has been engaging with the Iraq EITI since 2018. An important output was the production of the 2018-2020 IEITI Report which was completed and published on the IEITI website.** One key step supported by the Project is the recruitment of a consultant to play the role of a Beneficial Ownership Specialist embedded within the National IEITI Secretariat, to facilitate data disclosure through IEITI related to the beneficial owners of the license holders, subsidiaries of license holders, as well as bid applicants, facilitating the use of IEITI for supporting national priorities and dialogue on oil and gas sector governance.



Photo credits: Anmar Qusay/ World Bank

47. **On the pillar of domestic revenue mobilization** and in response to a request made by the MoF, the WB will provide technical support to advance tax administration reforms. This support aims to improve the effectiveness of the GCT. It is intended to aid in the introduction of good international practices for tax administration and to assist the GCT to acquire and use modern information technology. With an expectation of collaboration throughout with the MoF and GCT, the WB has prepared a Technical Support Roadmap for the Iraq GCT. Since endorsement of the Technical Support Roadmap by the Minister of Finance in June 2022, several workshops and meetings were conducted with GCT senior officials which led to the completion of the tax administration performance assessment using the Tax Administration Diagnostic Assessment Tool methodology in collaboration with Adam Smith International and the International Monetary Fund Tax Administration Diagnostic Assessment Tool Secretariat.
48. **The pillar of strengthening capacity for crisis management** includes capacity building on civil service management where the WB task team has engaged with the Federal Public Service Council (FPSC) of Iraq in areas related to human resource management reform in the civil service in the form of technical support, policy dialogue, and knowledge and experience sharing with other peer countries including Australia, Pakistan, and Jordan. In addition, meetings between the WB and the FPSC Research Department were conducted in August 2022 to discuss a project proposal for cooperation between the FPSC and the Arab Administrative Development Organization (ARADO), which was prepared by ARADO. These meetings were a response to the FPSC's request for the WB to provide support and facilitate the partnership between the FPSC and ARADO and share the WB's expertise on how best to achieve the above priorities.

3.2.4 Strengthening the Private Sector to Improve the Business Environment in Iraq

Relates to the Results of the Projects: Enabling Environment For Small And Growing Businesses (P171175) and COVID-19 Adaptation and Recovery Pilot for MSMEs in Iraq (CARP) (P174273)

49. **The Enabling Environment for Small and Growing Businesses in Iraq project is one of the World Bank's flagship activities in Iraq, working directly with the Council of Ministers to improve the quality and reliability of business entry and support services for small businesses and entrepreneurs in Iraq.** The WB Team has been working with 70+ government officials and policymakers to work on legislative proposals, new policies, and the development of a new system aimed at improving the business environment in the country. The project focuses on i) Addressing Policy Gaps via Ease of Doing Business, ii) Improving the Quality of Entrepreneurship Services and Promoting the Supply of Early-Stage Financing for Startups, iii) Refugee Investment and Matchmaking Platform's (RIMP). The WB team is working in parallel with both the private and public sectors to improve the overall business environment with a focus on company registration and capacity building for Iraqi entrepreneurs, ecosystem enablers, service providers, and emerging investors, with a focus on digital entrepreneurship and lowering the cost and complexity of business entry and operation in Iraq.
50. **The enabling business environment initiative has already achieved significant accomplishments and results working with the government on pushing the reform agenda and action plans to modernize the business environment in the country.** The team organized more than 10 workshops and technical working groups with the government on reform action plans, company registration in Iraq and resolving business insolvency, which include collaboration with the Ministry of Justice on regulatory reform. The WB is continuously providing global and regional expertise to Iraq from countries with similar challenges and initiatives such as the Democratic Republic of Congo, Lebanon, Tunisia, Jordan, and Morocco. The activity brought together several private sector stakeholders and public sector policymakers

to collaborate and brainstorm together in the same working groups to tackle specific challenges facing Iraqi business owners and to make the investment climate more hospitable for both entrepreneurs and investors.

51. In addition, the team provided one-on-one coaching for fund managers and local Angel investors in terms of the investment thesis, gender lens investing, and portfolio management. This will enable the emergence of knowledgeable local investment firms that would create a pipeline for local businesses and startups seeking venture capital funds. The team also completed an assessment of key challenges for Iraqi investment capital facilities and partial credit guarantee schemes, highlighting lessons learned from the WB's early-stage investment facilities in the Middle East.

BOX 7: RESULTS OF THE I3RF SUPPORT TO THE PRIVATE SECTOR TO DATE

- Conducted 10 workshops and technical working groups with the GoI on the Reform Action Plan.
- Assessed and completed 10 Policy Notes for the Reform Action Plan.
- Created company profiles and improvement plans for 65 refugee-related firms.
- Consulted over 250 Iraqi MSMEs to understand their performance gaps.
- Quality reviewed over 150 Arabic and Kurdish online training resources.
- Developed customized 5 learning paths (training curricula) for Iraq MSMEs.
- Quality assessment of over 50 Iraqi Business Development Service Providers.
- Provided 12 one-on-one consulting sessions to 3 different Iraqi early-stage investment programs.

52. The WB team supported 65 refugee-related businesses by identifying opportunities and constraints which generated insights and knowledge that the team submitted in two actionable reports articulating the value proposition and highlighting the role that refugee-led businesses can play in growing Iraq's economy.

53. The COVID-19 Adaptation and Recovery Pilot for MSMEs in Iraq (CARP) aims to test the effectiveness of selected financial and firm-level interventions in providing liquidity, building capacity for targeted small and growing businesses (SGBs), and mobilizing private investment. The project was created following the WB's activation of the COVID-19 Crisis Response Approach in Iraq, which focuses on ensuring business activity and job creation using a 3-stage process (relief, restructuring, resilient recovery) during the crisis response. This is a joint project between Iraq's MoF and WB, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).
54. During the first phase, the team marked significant milestones such as drafting the POM in Arabic and English, which includes the design of +10 interventions and subcomponents. In addition, the WB has deployed 35 percent of the fund for implementation and hiring, developing a digital platform that enables a more comprehensive data collection and accurate timeline and budget estimation. A dedicated website (www.carp-iraq.com) was also launched to facilitate applying for financial and technical services from stakeholders across Iraq and developing several digital solutions like the blended learning platform currently under development. The team also conducted a diagnostic of around 250 MSMEs and Business Service Providers in Iraq to validate and refine the design and roll-out plan.
55. The impact of CARP as a pilot project will lay the foundation for larger-scale interventions in the future and will positively impact the long-term growth of the private sector in Iraq. CARP is led jointly by the WB and the Iraqi government to limit business closure, protect employment, help local businesses recover their revenues, and stimulate innovation in COVID-19 related sectors.



3.3 PILLAR 3 – COORDINATION AND PROGRAM SUPPORT

56. This pillar aims to strengthen capacity and institutional arrangements for multi-stakeholder dialogue, coordination, monitoring and evaluation, and to improve the effectiveness of reconstruction investments by Government, IBRD, and whenever possible, other international partners.

3.3.1 Generating Evidence to Support Poverty Targeting and Policy

Relates to the Results of the Projects: [Building Evidence for Policy Making \(P170264\)](#) and [Iraq Household Socioeconomic Survey III \(P176590\)](#)

57. The Building Evidence for Policy Making project aims to help Iraq make key policy decisions based on evidence by strengthening the design, implementation and targeting of reconstruction and reform interventions and ensuring data collection and analytical efforts capture and address the needs of vulnerable and displaced populations. The BE project includes two workstreams: (i) An extended program of technical assistance and capacity building for the CSO and Kurdistan Regional Statistics Office (KRSO) to implement the third round of the Iraq Household Socioeconomic Survey (IHSES III); and (ii) pilot innovative data collection methods to complement the main household survey collection.
58. With the approval of the IHSES III project in 2021 to finance the implementation of the survey, this project continued its extensive TA (workstream 1) to the CSO and KRSO throughout 2022. Continuing from 2021, the project provided several IT training sessions to the CSO and KRSO staff on CSPro. While the WB team gathered suggestions on the questionnaire internally from various sectoral teams and organized a virtual quality enhancement review of the questionnaire, the CSO and KRSO did the same with the line ministries. The questionnaire was shared with UN partners including the World Food Program (WFP), United Nations Children's Fund (UNICEF), International Labor Organization (ILO) etc. for comments. A comprehensive survey questionnaire was finalized and delivered in 2022 through regular

meetings with the CSO and KRSO. Based on the survey questionnaire, a complete survey manual was prepared and shared with the CSO and KRSO for translation. Computer Assisted Personal Interviews (CAPI) program to implement the survey on tablets was developed. An accompanying CAPI manual was also delivered in 2022. Similarly, based on the sampling frame provided by the CSO and KRSO, a sampling strategy was developed. The team developed a form for listing operation and helped CSO with its computer programming. Support was also provided in preparation of the piloting of the survey, which the CSO and KRSO implemented in May 2022. The team also delivered training materials for Training of Trainers and Training of Enumerators. A comprehensive note outlining the sampling strategy, field organization and design, and survey protocols was developed and delivered. The team organized a 3-day long in-person workshop in May 9–11, 2022, in Baghdad for CSO and KRSO and worked with the CSO's IT team at MoP on May 12, 2022. A final report on the phone survey, COVID-19 vaccine inequities and hesitancy in Iraq, was released in April 2022. The last 3 rounds of the micro-data were released through the WB micro-data library along with the previous 6 rounds. Two papers on SP-humanitarian targeting in Iraq were finalized in December 2021. The project also contributed to the country's climate diagnostic review, the Iraq Country Climate and Development Report (CCDR), by examining the distributional impacts of climate change.

59. **Through the Iraq Household Socioeconomic Survey III (IHSES III), the WB aims to support the GoI to collect quality data to produce poverty estimates and other key demographic and socioeconomic indicators to inform evidence-based policymaking.** The project includes two activities. First is an RE activity, which will finance the CSO and KRSO to implement the IHSES III. While the WB team provides

an extensive TA for the survey through the "Building Evidence for Policy Making" BE project, the CSO and KRSO will implement the data collection for the national survey covering all governorates lasting 12 months to provide yearly qhada level welfare estimates and quarterly national level estimates. The second activity is a BE activity and will support the drafting of the third national 5-year Poverty Reduction Strategy (PRS III). The activity provides process support to draft the PRS III to the PRS Technical Committee and deliver special-topic trainings to build capacity of MoP staff.

TABLE 3: PUBLICATIONS PRODUCED BY THE BUILDING EVIDENCE FOR POLICY MAKING PROJECT

Publication	Link
Final Phone survey report:	Link³
Phone survey micro-data:	Link⁴
Social Protection (SP)- Humanitarian BBL & paper:	Link⁵ ; Link⁶
Coverage of IHSES III survey pilot by MoP:	Link⁷

60. Once the IHSES III survey is completed, it will help fill the current data gap that will be important in designing, targeting and monitoring of government and Bank activities including supporting the analytics needed to operationalize the GoI's White Paper reform agenda through the poverty and equity lens. The formal results from the project, thus, will be realized once the data collection is completed and the government and other institutions start using it.
61. The technical preparation of the survey is in its advanced stages. Project Management Teams (PMTs) of CSO and KRSO had taken important steps to procure tablets and other goods needed for the survey and hire 182 enumerators (148 by CSO and 34 by KRSO) and 91 field supervisors (74 by CSO and 17 by

KRSO).The WB provided an extensive support throughout and organized a 4-day long financial management and procurement training Workshop in August 2022.

62. As per component 3 of the project i.e., PRS III preparation, a roadmap of the PRS III preparation was drafted and agreed in May 2022. A technical training workshop on the concept and measurement of poverty was delivered to the MoP staff in June 2022 in Erbil. A PRS III preparation kick-off workshop was organized in July 2022 in Erbil that was chaired by the H.E. Minister of Planning. The team continued its support and organised a 4-day long process workshop from November 12 to 15, 2022, in Erbil. The workshop reviewed the principles for strategy formulation considering lessons learned from PRS I and II, defined overall priorities, role and scope of PRS III, and defined plans for its creation. The workshop concluded with agreeing on a comprehensive action plan of activities to take place before the next workshop planned for January 2023.

TABLE 4: MEDIA COVERAGE OF THE IHSES III PROJECT

Publication	Link
I3RF Tweets:	Link⁸
MoP Coverage:	Link⁹

BOX 8: OVERVIEW OF THE FIDUCIARY OVERSIGHT AND CAPACITY STRENGTHENING PROJECT

Under the Fiduciary Oversight and Capacity Strengthening project (P174339) in 2022 the TPMA conducted **51 site visits** and produced **51 Fact Sheet reports**. Each Fact Sheet introduces a number of observations and items needing attention including on Engineering, Social Safeguards, GBV, and Environmental/OHS aspects. A summary of Occupational Health and Safety (OHS) programmatic observations, findings, and recommendations is also provided following each visit. More than **450 issues were identified** as having a low compliance - mostly in the safeguards categories. The most prevalent were related to site safety, site cleanliness and housekeeping, and GRM availability. Between July and October, **13 schools** were visited, and **109 various deviations** were identified. A total of 11 monthly reports were produced and delivered in 2022.

The **implementation of Task 2 - Fiduciary Capacity Building Program – was also launched in 2022**. Task 2 aims to build the fiduciary capacity of stakeholders involved in the implementation of Bank-financed projects in public procurement and financial management . This will be achieved through on-the-job learning, training, and workshops under two umbrellas 1) the procurement capacity building program, and 2) the financial management capacity building program. This task also includes assessing and supporting sustainable capacity building towards professionalization through Iraq's universities. **Four Training courses** on procurement and financial management were delivered to public officials contributing to enhanced fiduciary capacity and collaboration is ongoing with MoP Public Contracting Directorate (PCD) to develop a sustainable capacity building strategy for public procurement. **70 public officials** across government agencies received training on procurement and financial management.

3 <https://www.worldbank.org/en/country/iraq/publication/covid-19-vaccine-inequities-and-hesitancy-in-iraq>
 4 <https://microdata.worldbank.org/index.php/catalog/4023/study-description>
 5 https://worldbankgroup.sharepoint.com/sites/WBPoverty/_layouts/15/Event.aspx?ListGuid=efe55910-83d6-4b95-916a-274837b2118a&Itemid=998
 6 <https://documents1.worldbank.org/curated/en/099523406212233544/pdf/IDU0490e4323084e104cdf08c7b02ee3f7cd869d.pdf>
 7 <https://mop.gov.iq/news/view/details?id=907>

8 https://twitter.com/NailaAhmed_WBG/status/1562302497250856960?s=20&t=UTGbu3OwIRjbfZB5vBa-nA
 9 <https://www.facebook.com/100064619419429/posts/417472780416699/>



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4. THE I3RF PORTFOLIO

63. Delays in government formation, fragile political conditions, social unrest, and the impact of the pandemic continued to pose risks on implementation and operationalization of projects in 2022. Different mitigation measures were adopted by project teams to navigate through the challenges and legal barriers.
64. **I3RF Recipient-Executed activities update:**
65. Four RE activities had their grant agreements signed in 2022. Two were declared effective and two will be declared effective when they fulfill their respective effectiveness conditions. These are the (1) Support to Tertiary Education in Iraq – declared effective; (2) Iraq Household and Socioeconomic Survey (IHSES) III – declared effective; (3) Iraq Road Maintenance Microenterprises Grant Project; and (4) Innovations Towards Learning in Lagging Iraqi Governorates. Several other RE projects are in the preparation and appraisal phase and are awaiting grant agreement signing by the MoF, before they can be considered effective.

TABLE 5: ACTIVE PROJECTS 2022

Project Name	Implementation Modality	Budget (US\$)	
		Bank-Executed (BE)	Recipient-Executed (RE)
Pillar 1: Socio-Economic Recovery and Reconstruction			
1.1 Area-Based Reconstruction in Mosul and Other Urban Centers			
Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq	BE	2,000,000	
1.2 Agriculture, Natural Resources and Water			
Revitalizing the Agriculture Sector in Iraq	BE	1,500,000	
Support to Manage Environmental Pollution Hotspots in Iraq	BE	1,000,000	
Water Supply and Sanitation Utility Reform Technical Assistance	BE	1,750,000	
Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements	BE	200,000	
1.3 Human Capital and Employment			
Support to Education and Skills Development in Iraq	BE	1,500,000	
Support to Tertiary Education in Iraq	BE/RE	1,000,000	5,000,000
Social Protection and Jobs for Poor and Vulnerable Iraqis	BE	1,450,000	
Protecting and Promoting Human Capital in Iraq - The Economic Inclusion Pilot	BE	600,000	
COVID-19 Response and Health System Strengthening	BE	5,000,000	
Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring	RE		2,000,000
Pillar 2: Economic Diversification and Private Sector-Led Growth			
2.1 Economic Diversification and Transformation			
Economic Diversification and Growth	BE	1,800,000	
2.2 Financial Sector Reforms			
Iraq Financial Sector	BE	2,400,000	
Analytics and Advisory for Management of Public Resources and Fiscal Federalism	BE	2,000,000	
Debt Management for Recovery and Development	BE	3,000,000	
2.3 Enabling Environment for Small and Growing Businesses			
COVID-19 Adaptation and Recovery Pilot (CARP) for MSMEs in Iraq	RE		15,000,000
Enabling Environment for Small and Growing Businesses	BE	2,200,000	
Pillar 3: Coordination and Program Support			
3.2 Evidence and Data on Poverty, Vulnerability and Displacement			
Building Evidence for Policy Making	BE	1,000,000	
Iraq Household and Socioeconomic Survey (IHSES) III	BE/RE	610,000	4,360,776

Project Name	Implementation Modality	Budget (US\$)	
		Bank-Executed (BE)	Recipient-Executed (RE)
3.3 Enhanced Supervision, Fiduciary and Risk Management			
Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent)	BE	4,300,000	
3.4 Peacebuilding and Citizen Engagement			
Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction	BE	1,200,000	

TABLE 6: PIPELINE PROJECTS 2022

Project Name	Implementation Modality	Budget (US\$)	
		Bank-Executed (BE)	Recipient-Executed (RE)
Pillar 1: Socio-Economic Recovery and Reconstruction			
1.2 Agriculture, Natural Resources and Water			
Support to Manage Environmental Pollution Hotspots in Iraq	RE		5,000,000
Support for Improved Farm Management and Piloting Models of Aggregation in Iraq	RE		5,000,000
1.3 Human Capital and Employment			
Innovations Towards Learning in Lagging Iraqi Governorates ¹⁰	RE		10,000,000
Iraq Social Safety Net Enhancement Project	BE/RE	800,000	4,200,000
Protecting and Promoting Human Capital in Iraq - The Economic Inclusion Pilot	RE		4,400,000
Iraq Road Maintenance Microenterprises Grant Project	RE		5,000,000
Pillar 3: Coordination and Program Support - TBC			
Capacity Building Program	BE	2,000,000	

¹⁰One project under the I3RF portfolio was endorsed as part of the initial Work Plan in May 2019 but is being re-discussed with MoP to confirm its validity: Peacebuilding and Citizen Engagement – RE budgeted for US\$4 million

¹⁰ This project was declared effective after the cut off date for the data of this report.



Photo credits: Anmar Qusay/ World Bank

5. OPERATIONAL UPDATES

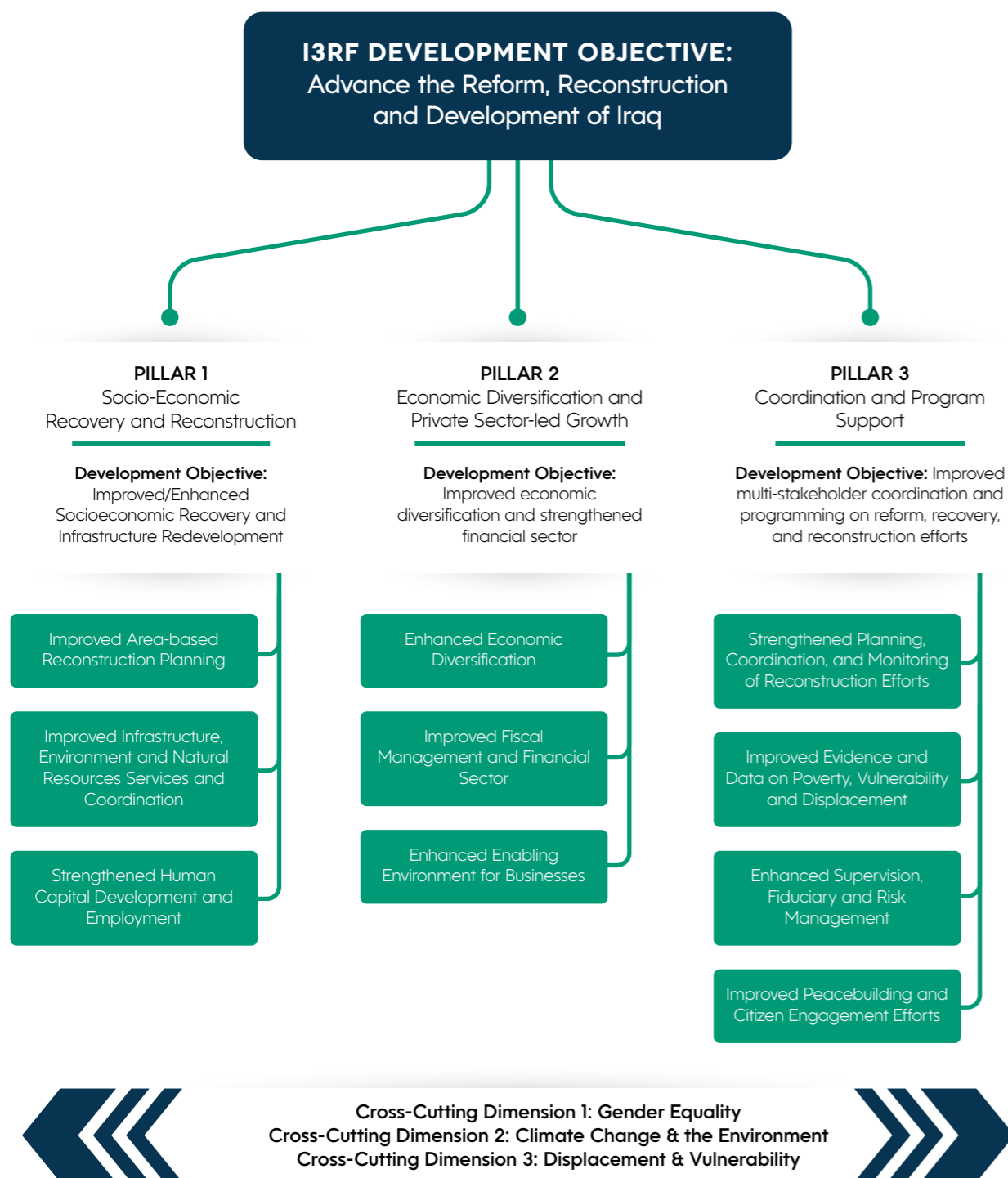
5.1 THE RESULTS FRAMEWORK

66. The Steering Committee of the I3RF formally endorsed the **Results Framework** of the I3RF on the **21st of August 2022** during the **10th Steering Committee meeting** of the Fund. The Results Framework was endorsed noting that MoP and the Secretariat are authorized to make amendments to the specific sections related to project indicators, with approval by both parties.
67. The I3RF Results Framework serves as a tool for portfolio and fund management and provides an overview of how projects contribute to the I3RF's strategic objectives. The framework is designed to track portfolio results as well as trust fund performance. It is structured around **3 development objectives and 4 supporting annexes**. The endorsement was given after agreeing with MoP and partners on the strategic direction of the framework. Discussions were held in Baghdad and virtually on the key strategic elements:
 - i. The **Objective and Methodology**
 - ii. The **Theory of Change**
 - iii. The **Cross-Cutting Dimensions Guidelines**
 - iv. The **Rules of Engagement**
 - v. The **Selection Criteria for Indicators**
68. The document will be updated in June of each year in consultation with MoP and partners. The results will be reported on in the Annual Report of the I3RF published in January of each year. More information about the internal monitoring requirements of the World Bank can be found in section **VI. Monitoring, Evaluation and Reporting** of the **Operations Manual**.

OVERALL OBJECTIVE OF THE I3RF

The I3RF aims to provide a platform for coordinated financing and dialogue for the reconstruction and development of Iraq, with a focus on supporting public investments in socio-economic recovery and reconstruction and promoting targeted national reform efforts for economic diversification and private-sector-led growth.

FIGURE 1: I3RF THEORY OF CHANGE



5.2 PROJECTS ENDORSED IN 2022

69. **One project was endorsed by the I3RF Steering Committee in 2022.** The project is the **Iraq Social Safety Net Enhancement Project** for a budget of US\$5,000,000. The project, which includes both Bank and Recipient Executed activities, aims to (i) strengthen MoLSA's capacity to deliver effective and efficient SSN programs; and (ii) support the ministry to further develop its social registry as an integral component of the national single registry. Additional information on the details of the project can be found in Annex 2.

5.3 I3RF PORTFOLIO REVIEW

70. A series of virtual/in-person meetings were organized jointly by the WB and MoP between September 21 and October 11, 2022 to review the I3RF portfolio. During this portfolio review, all BE and RE projects financed by the I3RF were discussed in detail, highlighting progress, challenges faced, and the next steps required for the effective and efficient use of the funds allocated under each project. The meetings were attended by the WB, MoP, relevant line ministries and specialized agencies. The collaboration between the I3RF Secretariat and the technical team from MoP reflected the solid joint monitoring mechanism established to manage the Trust Fund.

5.4 CLIMATE CHANGE AND THE ENVIRONMENT IN THE I3RF PORTFOLIO

Details on the contribution of each project to climate change and the environment can be found in Annex 3 – Progress Overview Per Project

71. **In Iraq, a multidimensional development and climate crisis is brewing.** Iraq's oil-dependent development model, weakening human and institutional capacity, and its deep social divides and inequalities are ingredients of a "perfect storm" centering on a development-climate-fragility nexus. Iraq is among the

countries most vulnerable to climate change shocks both in physical (temperature rise, water scarcity, extreme events) and financial terms. Iraq's dependence on oil revenues would leave it vulnerable to new economic risks amid the global transition toward a decarbonized world, wherein oil as a commodity loses its role in fuelling the global economy. **Climate change threatens the social contract in Iraq** and impacts, through increased water scarcity and higher temperatures, jobs and livelihoods across all economic sectors, especially jobs within agriculture and related value chains, with unskilled labor disproportionately affected. **Economic diversification-focused reforms, including through boosting non-oil related revenues, go beyond mitigating climate change; they will support growth and increase the economic returns from the transition.**

72. **To help addressing Iraq's pressing climate vulnerabilities, and under the auspices of Prime Minister Sudani, the Iraq Country Climate and Development Report (CCDR)¹¹ was launched in Baghdad in December 2022.** The CCDR launch, which was part of a climate week co-organized by the WBG and the UN, brought together line ministers, senior government officials, development partners and Iraqi civil society to discuss the challenges and opportunities of climate change in Iraq. **The intersection of Iraq's development gaps and climate change vulnerabilities call for a rethink of how best to address these combined challenges and respond to the needs and aspirations of the Iraqi people.** As such, the Iraq CCDR prioritizes actions in 3 focus areas: (i) adaptation, with a focus on the water-agriculture-poverty nexus, (ii) mitigation, with a focus on addressing existing inefficiencies in Iraq's energy value chain (mainly gas flaring and use of liquid fuels for power generation), and (iii) managing the macro-fiscal implications of the local and global transitions to a low-carbon economy. The report's recommendations do not address all the challenges of Iraq's low-carbon transition but aim at closing development gaps and setting the country on a path toward a greener and more resilient economy in 2022–2040.

¹¹ <https://openknowledge.worldbank.org/handle/10986/38250>

TABLE 7: I3RF SUPPORT TO IRAQ'S NATIONALLY DETERMINED CONTRIBUTIONS (NDCS)

List of I3RF Projects Contributing* to Iraq's NDCs	
1.	Area-Based Approach in Mosul and Other Urban Centers in Iraq
2.	Revitalizing the Agriculture Sector in Iraq
3.	Support for Improved Farm Management and Piloting Models of Aggregation in Iraq
4.	Support to Manage Environmental Pollution Hotspots in Iraq
5.	Iraq Road Maintenance Microenterprises Grant Project
6.	Support to Tertiary Education in Iraq
7.	Economic Diversification and Growth
8.	Debt Management for Recovery and Development
9.	Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction

*Directly or Indirectly

73. **The Iraq CCDR adopts a "people centric" approach to achieve a deeper understanding of current climate change effects and potential impact of low-carbon transition on vulnerable groups.** The analysis was done (i) in consultation with civil society and the private sector; (ii) through focus group discussions with oil workers, agricultural workers and women's groups, and (iii) included dialogues with university students and youth. This engagement effort also entailed forming a CCDR advisory group comprised of representatives from the GoI, the private sector, and academics.
74. The I3RF projects has contributed to the CCDR in Iraq through its Rapid Citizen Survey on Climate Change and through the Poverty Impact chapter.
75. **1. Findings of the Rapid Citizen's Survey on Climate Change in Iraq**
76. The 2022 social media survey on Citizen's Perceptions of Climate Change in Iraq was instrumental in informing and validating the findings and recommendations of the Iraq Climate Change and Development Report. Funded by the I3RF and under the Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction (P173326), the survey had 4469 respondents across Iraq and focused on issues related to perceptions, roles, responsibilities, impacts, behavior, and actions relating to climate change. 80

percent of survey respondents believe that climate change will likely lower the quality of public services, 75 percent that it will affect their ability to meet basic food needs, and 72 percent that it has the potential to exacerbate community conflict. 60 percent of respondents aged 35 years and below are willing to make lifestyle changes to mitigate climate change effects, including making more efficient use of resources, sorting waste, and using renewable energy. Respondents also indicated that better access to climate change information, and knowing that their actions are effective to protect the environment would enable them to contribute more to climate action. The survey's findings suggest that increased transparency and inclusive opportunities for citizen engagement have a vital role in climate change mitigation and adaptation, and in fostering community-led projects and grassroots innovations in this area.

77. **2. Contributions to the CCDR Poverty Impact chapter**
78. The impact of different climate change scenarios will differ across households depending on their human capital endowments and labor market responses. To capture the distributional and poverty impacts associated with different low-carbon transition pathways and climate and reform scenarios, a macro-micro model was developed building on: (i) household survey data from the 2012 Iraq Household Income and Expenditure Survey (ii)

TABLE 8: GENDER EQUALITY AND WOMEN'S EMPOWERMENT IN THE I3RF

Contributing to Economic Empowerment of Women and Girls	Contributing to Improving Data on Gender	Contributing to Improving Laws and Policies Affecting Women
18	18	9

the latest available household survey which provides nationally representative data on consumption, demographic characteristics, labor incomes, and sectors of employment. The support was provided as part of the I3RF funded project "Building Evidence for Policy Making" (P170264) which aims to help Iraq make key policy decisions based on evidence by strengthening the design, implementation and targeting of reconstruction and reform interventions by ensuring data collection and analytical efforts to capture and address the needs of vulnerable and displaced populations.

5.5 GENDER EQUALITY AND WOMEN'S EMPOWERMENT IN THE I3RF PORTFOLIO

79. The I3RF has prioritized promoting Gender Equality and Women's Empowerment in its portfolio in alignment with the GoI and partners. The two-pronged approach adopted contributes to the assessment of the gender-differentiated impacts and to the identification of gender gaps to better inform programming in Iraq.
80. The special focus on gender equality and women's empowerment was considered in (i) projects that were already active and (ii) pipeline and new projects. Therefore, the I3RF Secretariat has updated its reporting to include a specific section on "Gender Equality and Women's Empowerment" for each project, aiming at capturing the contribution of each activity to this cross-cutting theme. In 2022, the I3RF supported, directly or indirectly, advancing women's empowerment through most of the projects under its portfolio.

81. **In the agriculture sector,** the project of "Revitalizing the Agriculture Sector in Iraq" (P171561/ P178385) provides an opportunity to develop a manual for women's empowerment in agriculture index (WEAI) that will be the tool to assess the gender-differentiated impact of COVID-19 and progress towards gender parity in the agricultural sector. In the support of the I3RF to human capital, the project of "Protecting and Promoting Human Capital in Iraq – An Economic Inclusion Pilot (EIP)" (P174422) will offer training, coaching, mentoring and assets to 2200 households of which 45 percent are expected to be women.
82. **In the education sector,** the project "Support to Education and Skills Development in Iraq" (P171165) contributes to the economic empowerment of women through capacity building and implementation of gender-nanced learning interventions. In addition, the project "Support to Tertiary Education in Iraq" (P175694) improves institutional capacity to help address graduate unemployment by providing equal access and opportunities to men and women.
83. **In the support to the private sector,** the project "Enabling Environment for Small and Growing Businesses" (P171175) targets business enablers and provides specialized technical assistance on how to augment their gender lens programming and outreach to women-led firms; It also includes providing coaching, mentorship, and access to financial networks for women-led SGBs during the capital raising process.
84. **More details on the gender dimension per project is available in the Progress Overview Per Project annex of this report.** The I3RF Secretariat will keep partners informed on the status of this dimension under the Fund.



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6. THE I3RF AS A PLATFORM FOR DIALOGUE ON REFORM, RECOVERY AND RECONSTRUCTION

85. The I3RF plays an important role as a platform for dialogue, bringing together different government entities, international development players, experts, and beneficiaries to discuss issues related to Reform, Recovery and Reconstruction in Iraq. The I3RF portfolio supports projects contributing to the implementation of the economic reforms in collaboration with 28 ministries and government entities. The knowledge and data produced and strengthened by the I3RF inform evidence-based discussions around different areas of reform in Iraq.

86. **Increased engagement with the Government of Iraq over the past year:**

87. The enhanced level of coordination and communication between MoP as the Co-Chair of the I3RF Secretariat and the WB as administrator of the TF has contributed to the positioning of the I3RF Program as a platform for dialogue on the Reform Program of the government presented in the White Paper and National Development Plan.

88. Regular meetings, workshops and on-going communication in 2022 contributed to aligning government counterparts and the technical team of MoP with: (i) the objectives of the TF; (ii) the I3RF Work Plan; (iii) its Results Framework; and (iv) the operational procedures of the TF including its governance framework and fiduciary aspects. The following events, which constitute main outcomes of this collaboration, were held:

- i. **I3RF Results Framework Workshop:** As a part of its commitment to move forward with the technical finalization of projects, the I3RF has jointly organized a 3-day Results Framework Workshop with Iraq's MoP in May 2022 in Baghdad. More than 20 public sector employees from MoP attended the training with the I3RF Secretariat which was facilitated by an M&E expert from the WB.



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The workshop focused on delivering basic M&E elements and tools to the MoP team, reviewing the I3RF theory of change, and validating the I3RF results framework. On the last day, with the participation of I3RF donors, the workshop agreed on M&E systems and timelines in order to effectively support Iraq in the implementation of critical reforms.

- ii. An **I3RF Program Management Training and Sensitization Workshop** was organized and conducted in Erbil, Iraq from July 31 to August 03, 2022. This workshop was an initial training session among a series of training sessions and workshops that will be conducted under a one-year Capacity Building Program (CBP) that is designed by the WB under the umbrella of the I3RF for government counterparts and implementing agencies of the Recipient-Executed Trust Funds. The overarching objectives of the CBP are to: (i) raise the knowledge of government counterparts on WB Trust Fund management procedures and financing instruments; (ii) enhance the capacities and skills of relevant staff from government entities responsible for the supervision and management of the I3RF portfolio and implementation of the RE

TF; and (iii) strengthening and modernizing existing monitoring and reporting systems to become more efficient and follow international best practices. This workshop has targeted government officials who supervise and manage the I3RF portfolio mainly from the MoP with participation from the CoMSec and MoF. The objectives of the workshop were to raise knowledge and familiarize participants with the following main areas: (i) the I3RF objectives, governance structure, stakeholder roles and responsibilities, project cycle, types of financing, and I3RF operations; (ii) I3RF Results-based monitoring framework and reporting tools; (iii) financial management and disbursement aspects of the program; and (iv) present case studies from RE TF projects for discussion.

- 89. **Recruitment of a full time, in country deputy program manager:** In November 2022, in an effort to increase the day-to-day engagement with MoP and all implementing line ministries, as well as manage the capacity building program of the I3RF, the WB recruited a full-time senior development specialist who will be based in Baghdad and will serve as the deputy program manager.

TABLE 9: LIST OF TECHNICAL DISCUSSIONS HELD IN 2022

List of Technical Discussions held in 2022
Support to Tertiary Education in Iraq (P175694) – February 14, 2022
Innovations Towards Learning in Lagging Iraqi Governorates (P175721) – February 14, 2022
Iraq Social Safety Net Enhancement Project (P178824) – February 24, 2022
Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements (P175879) – May 17, 2022
Protecting and Promoting Human Capital in Iraq - The Economic Inclusion Pilot (P174422) – July 3, 2022
Analytics and Advisory for Management of Public Resources and Fiscal Federalism (P166640) – July 6, 2022
Iraq Financial Sector Project (P171615) – July 21, 2022
Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction (P173326) – October 17 2022

- 90. **Expansion in membership of the I3RF Steering Committee:**
- 91. The I3RF Steering Committee continued to meet regularly to discuss key strategic and operational issues related to the Trust Fund. Steering Committee meetings in 2022 included representation from a wider range of government stakeholders such as CoMSec and MoF to increase alignment and cooperation on the implementation of the portfolio. The meetings were also attended by the UN resident representative and a representative from the private sector who are invited to attend as observers and provide their views on decisions related to the I3RF portfolio.
- 92. **The I3RF Technical Discussions Around Different Areas of Reform:**
- 93. Eight technical discussions were held in 2022 with Steering Committee members, relevant line ministries, UN agencies and other stakeholders. The discussions centered around the contribution of different I3RF projects to the implementation of the reform agenda and provided progress updates.
- 94. **Implementation of the I3RF Operational Strategy for Communication has increased the visibility of the Fund**
- 95. Increasing visibility on the outcomes of the analytics, and advisory work financed through the I3RF is gaining in importance as the implementation advances. In order to enhance the way this work is communicated to various stakeholders (including the Government, donors, within the WB, and to the wider public), the Operational Strategy for Communication was developed and endorsed by the Steering Committee. The strategy is being implemented by the I3RF Secretariat in coordination with Iraq's MoP to highlight and organize visibility and communication actions around the portfolio.
- 96. In 2022, the I3RF Secretariat recruited a communications specialist to implement the communications strategy agreed on with the Gol and partners. The visual identity of the Fund was finalized and adopted in collaboration with the Gol and is being reflected across I3RF documents. A newsletter highlighting key updates from the I3RF portfolio is produced quarterly and circulated in English and Arabic for the Gol and donors. The publications produced by the I3RF are disseminated through dedicated discussion sessions, capacity building activities, and on social media (Twitter), and are uploaded to the dedicated shared folder with MoP and donors. Additionally, they are published on the World Bank website and circulated to line ministries and relevant government entities by WB sector teams.

7. FINANCIAL HIGHLIGHTS

97. The I3RF was established administratively in November 2018 and the total in donor contributions pledged from Germany, the UK, Canada and Sweden is US\$120.30 million, of which US\$100.07 million has been paid, with outstanding contributions of US\$20.23 million to be received by the Fund in 2023 and 2024 as per the contribution schedule agreed upon in the Administration Agreement with donors.
98. The Fund has earned US\$1.94 million in investment income¹² which is considered part of the contribution and used to manage the I3RF and finance Bank-Executed and Recipient-Executed Trust Funds. The Fund has also charged US\$1.82 million as administrative fees for Recipient- Executed Trust Funds.
99. In 2022, grants were approved for a total of US\$5 million under the Fund. By November 30th, 2022 the I3RF had disbursed US\$31.13 million, under active Bank-Executed and Recipient-Executed Trust Funds. There have been implementation delays and lower than expected disbursements due to the continuing impact of the COVID-19 pandemic and delays in signing and setting up RE TF Grants.
100. The Fund also has a pipeline of projects for US\$36.4 million with US\$2.8 million for Bank-Executed Trust Funds and US\$33.6 million for Recipient-Executed Trust Funds. Projects will be approved as per Bank policies and procedures and in line with the prioritization and sequencing mechanism of the Fund.
101. As per the decision of the I3RF Steering Committee on the 17th of June 2020, the I3RF set aside an unallocated amount of US\$6 million to support the Gol in projects related to emerging priorities.

¹² Investment income consists of the modified cash basis trust funds' allocated share of the following: interest income earned by the pool, realized gains/losses from the sale of securities, and unrealized gains/losses resulting from recording the assets held by the pool at fair value.

TABLE 10: I3RF FINANCIAL HIGHLIGHTS 2022

Financial Highlights (All figures in millions)	
Funds Committed by Development Partner(s)	Period Ended November 30, 2022
Germany	US\$59.25
The United Kingdom	US\$45.69
Canada	US\$10.93
Sweden	US\$4.43
Funds Received from Development Partner(s)	
Germany	US\$53.61
The United Kingdom	US\$31.10
Canada	US\$10.93
Sweden	US\$4.43
Investment Income Credited	US\$1.82
Total Funds Available	US\$101.89
Total Funds Committed*	
Bank-Executed Trust Funds	US\$40.04
Recipient-Executed Trust Funds	US\$49.96
Funds set aside for contingency purposes	US\$6.00
Disbursements	
Bank-Executed Grants	US\$23.58
Recipient-Executed Grants	US\$7.55
Recipient-Executed Grants *(Fee component)	US\$1.82
Cash balance	US\$5.89

*As per the approved Grant Funding Requests in the system.

TABLE 11: I3RF INDICATIVE BUDGET AND ACTUAL DISBURSEMENT 2022

Indicative Budget and Actual Disbursements (All figures in millions)		
Bank-Executed Activities & Recipient Executed Activities	Indicative Budget*	Period Ended November 30, 2022
Program Management and Administration	US\$6.75	US\$4.17
Coordination and Program Support Window	US\$13.47	US\$4.36
Economic Diversification and Private Sector-Led Growth Window	US\$26.40	US\$6.86
Socio Economic Recovery and Reconstruction Window	US\$57.4	US\$15.74
Total	US\$104.02	US\$31.13

*The Indicative Budget is based on the latest endorsed Work Plan. The figures will be updated based on the endorsed changes in the upcoming Steering Committee meeting. For more details on the financials of the I3RF, kindly visit the Development Partner Center.



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8. LOOKING AHEAD

102. For the past 3 years, the I3RF has been continuously engaging with 28 government counterparts to support the Gol in its efforts towards economic diversification and in the implementation of the reform agenda. I3RF support has allowed for the development of concrete action plans through technical assistance, advisory and analytical work across sectors. Halfway through its lifecycle, the I3RF has funded the production of 78 analytical works which have informed policy and programming in Iraq, as well as 143 knowledge sharing or learning activities to disseminate I3RF analytical work. All partners continue to agree on the strategic importance of the I3RF and discussions are on-going to jointly agree on the future of the Fund and the possibility of its extension.



**ANNEX 1 – I3RF RESULTS
INDICATORS FOR 2022**

Indicator	2020 Results Achieved	2021 Results Achieved	Target for 2022	Status & Results Achieved	Project Name, Result and Date
Pillar: Socio-economic recovery and reconstruction					
Number of analytical works (studies, assessments, and/or policy guidance) completed as basis for recovery, reconstruction and development investments – per year	2	15	8	Exceeded (11)	<p>1. Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - 3 area-based climate risk assessment (for Mosul, Basra, and Baghdad)</p> <p>2. Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements - Transmission Planning Study for Southern Iraq Power System (completed and to be disseminated by end of 2022)</p> <p>3. Support to Manage Environmental Pollution Hotspots in Iraq - Roadmap for Implementation of Remediation Program in Iraq (completed and final report being prepared)</p> <p>4. Revitalizing the Agriculture Sector in Iraq - WEAI Manual in Arabic and English</p> <p>5. Revitalizing the Agriculture Sector in Iraq - Conceptual framework of the Digital Agri-food systems dashboard for Iraq</p> <p>6. Support for Education and Skills Development in Iraq - School Infrastructure Policy</p> <p>7. Support for Education and Skills Development in Iraq - Teacher Allocation Note</p> <p>8. Support for Education and Skills Development in Iraq - National Assessment Strategy Framework</p> <p>9. Social Protection & Jobs for Poor and Vulnerable Iraqis - Bridging the Targeting Gap: Assessing Humanitarian Beneficiary's Likely Eligibility for Social Protection in Iraq</p>
Outcome: Improved Area-based Reconstruction Planning					
Number of Area Based Approach plans prepared by Project Management Teams (PMTs) - per year	N/A	2	1	Delayed – In progress	Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - Reason for delay in 2022: Due to security and COVID-19 restrictions, the team's mission to Baghdad to present findings of the climate assessment was delayed until June 2022. The follow-on mission to launch preparation of pilots in consultation with the counterparts was further delayed. The team is looking forward to advancing consultations on priorities for pilot projects
Outcome: Improved Infrastructure, Environment and Natural Resources Services and Coordination					
Capacity of Ministry of Health and Environment improved to identify and prioritize investments for the remediation of pollution hotspots in Iraq	N/A	Yes	Yes	Achieved (Yes)	Support to Manage Environmental Pollution Hotspots in Iraq – Achieved through four Training Programs for a total of 65 GoI officials and delivered in 2022

Indicator	2020 Results Achieved	2021 Results Achieved	Target for 2022	Status & Results Achieved	Project Name, Result and Date
Strategic Framework developed for remediation of pollution hotspots in Iraq	N/A	Delayed	Yes	Achieved (Yes)	Support to Manage Environmental Pollution Hotspots in Iraq – Framework developed and currently being reviewed
Number of detailed Assessments completed for priority hotspot sites in Iraq	N/A	N/A	2	Achieved (2)	Support to Manage Environmental Pollution Hotspots in Iraq – Analytical work is completed and final report is being prepared
Number of water utilities with improved financial viability (assessed based on improved service provider operating-cost coverage ratio, in percent) – cumulative	N/A	2	1	Indicator to be revised	Water Supply and Sanitation Utility Reform Technical Assistance – Project currently being restructured
Bank Energy team to complete a comprehensive technical and economic analysis report	N/A	Delayed	1	Achieved (1)	Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements - Transmission Planning Study for Southern Iraq Power System (completed and to be disseminated by end of 2022)
Outcome: Strengthened Human Capital Development and Employment					
Development of a costed primary healthcare package of services that responds to the health needs of the population with a focus on reproductive health, maternal and child health, mental health and psychosocial support, gender-based violence and management of chronic illness	N/A	N/A	Yes	Achieved (Yes)	COVID-19 Response and Health System Strengthening – Activity in final stages
Pillar: Economic diversification and private sector-led growth					
Outcome: Enhanced Economic Diversification					
Number of analytical works (studies, assessments, and/or policy guidance) completed to inform reform agenda - per year	2	10	7	Exceeded (22)	<p>1. Iraq Financial Sector - Proposal for a new framework to regulate agency services for the financial sector</p> <p>2. Iraq Financial Sector - Presentation on cyberresilience for Financial Markets Infrastructure -Created increased awareness on elements for improving the business continuity plan</p> <p>3. Iraq Financial Sector - Assessment of the remittances market according to the general principles for international remittance services</p> <p>4. Iraq Financial Sector - Recommendations for reforms to the National Payment Council</p> <p>5. Iraq Financial Sector - Inputs for the fast payment RFP development</p>

Indicator	2020 Results Achieved	2021 Results Achieved	Target for 2022	Status & Results Achieved	Project Name, Result and Date
					<p>6. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Digital Government Readiness Assessment report</p> <p>7. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Digital Transformation recommendation report</p> <p>8. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Tax administration Technical Support roadmap</p> <p>9. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Tax Administration Diagnostic Assessment Tool (TADAT) assessment</p> <p>10. Enabling Environment for Small and Growing Businesses - 10 individual updated Reform and Action Plans for: (i) Women and Businesses; (ii) Starting Business & Paying Taxes; (iii) Dealing with Construction Permits; (iv) Getting Electricity; (v) Registering Property; (vi) Trading across borders; (vii) Protecting Minority Investors; (viii) Getting credit; (ix) Resolving Insolvency; (x) Enforcing contracts</p> <p>11. Economic Diversification and Growth - The initial assessment of the monitoring system and the current reporting cycle (type of reports and frequency)</p> <p>12. Economic Diversification and Growth - A comprehensive analysis of the type of data collected, the validity and reliability of these data for performance analysis and the policy insights that can be generated</p> <p>13. Economic Diversification and Growth - A quick evaluation of the action plans that were produced by various government entities, the capacity gaps and the adjustments needed for these action plans</p>
Number of regulations and/or reform plans adopted by Cabinet or Ministry that facilitate economic diversification, improve public finances and are informed by I3RF support - per year	1	2	2	Exceeded (3)	1. Enabling Environment for Small and Growing Businesses - (i) Central Bank credit registry decision to expand the number of agencies reporting to the registry; (ii) Company registrar decision to launch the online registration system; (iii) Ministry of Electricity decision to streamline the process of connection
Number of strategic and/or regulatory frameworks for financial sector reform adopted by Central Bank of Iraq (CBI) – per year	N/A	N/A	1 - TBC	Pending Approval by parliament	1. Iraq Financial Sector - Payments Systems Law remains in parliament pending approval

Indicator	2020 Results Achieved	2021 Results Achieved	Target for 2022	Status & Results Achieved	Project Name, Result and Date
Improved company registration and licensing (Starting a Business) a. Number of new laws/regulations/codes drafted b. Number of procedures, policies, practices that were improved or eliminated c. Number of businesses completing new/reformed procedure in a given jurisdiction	N/A	N/A	a. 1 b. 6 c. +20%	a. Exceeded (2); b. Exceeded (12); c. Achieved (20%)	1. Enabling Environment for Small and Growing Businesses - (i) Streamlining of company's registration process and launching the online portal which led to reducing the number of steps from 8 to 4 steps and reduce the time from 26 days to 14 days; (ii) Streamlining the electricity connection process by reducing the number of steps from 5 to 4 steps and reducing the number of days from 51 days to 25 days
Volume of private equity funding mobilized through business angels and fund managers (in USD million) – cumulative	N/A	N/A	2	Delayed	1. Enabling Environment for Small and Growing Businesses – This Advisory Services and Analytics' (ASA) technical inputs will be leveraged by the financial instruments of CARP, whose instruments were partly launched only in September 2022. The project team still aims to realize this target by next year

Pillar: Coordination and program support

Outcome: Improved Evidence and Data on Poverty, Vulnerability and Displacement

Number of Government and World Bank operations using new data sources and analytics for design and monitoring, including COVID-19 responses and operationalization of the Iraq Reform Agenda – cumulative	1	3	3	Exceeded (6)	<p>1. Building Evidence for Policy Making - How Can Vulnerable Internally Displaced Persons Be Transitioned from Humanitarian Assistance to Social Protection? Evidence from Iraq</p> <p>2. Building Evidence for Policy Making - Bridging the Targeting Gap: Assessing Humanitarian Beneficiaries' Likely Eligibility for Social Protection in Iraq</p> <p>3. Building Evidence for Policy Making - Contributions to Iraq's CCDR, simulating on analyzing the impacts of climate change on poverty</p>
Number of analytical works on poverty and vulnerability/gender dimensions/impacts of COVID-19 pandemic completed - per year	2	3	1	Exceeded (2)	<p>1. Building Evidence for Policy Making - How Can Vulnerable Internally Displaced Persons Be Transitioned from Humanitarian Assistance to Social Protection? Evidence from Iraq</p> <p>2. Building Evidence for Policy Making - Bridging the Targeting Gap: Assessing Humanitarian Beneficiaries' Likely Eligibility for Social Protection in Iraq</p>
Number of successful project implementation and data collection by the statistical agencies - cumulative	N/A	N/A	1	Delayed/ On hold	1. Building Evidence for Policy Making - Not achieved, relates to IHSES III project which is on hold due to legal challenges
Contracting and training of the survey enumerators and field supervisors completed.	N/A	N/A	Yes	Delayed/ On hold	1. Iraq Household Socioeconomic Survey III - Project on hold due to legal challenges

Indicator	2020 Results Achieved	2021 Results Achieved	Target for 2022	Status & Results Achieved	Project Name, Result and Date
Enhanced Supervision, Fiduciary and Risk Management					
Number of projects covered by Third-Party Monitoring services – cumulative	2	3	4	Achieved (4)	<p>1. Third Party Monitoring Agent - Emergency Operation for Development Project (EODP)</p> <p>2. Third Party Monitoring Agent - Social Fund for Development (SFD)</p> <p>3. Third Party Monitoring Agent - Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring</p> <p>4. Third Party Monitoring Agent – Transport Corridor Project (TCP)</p>
Outcome: Improved Peacebuilding and Citizen Engagement Efforts					
Number of analytics completed to understand the political economy, inclusion and peacebuilding aspects of reform, recovery and reconstruction – per year	2	4	3	Exceeded (4)	<p>1. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - A guidance note on Peace, Governance and Inclusion</p> <p>2. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - On-demand operational support for operationalizing a peace, governance & inclusion lens</p> <p>3. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Analysis of conflict and political economy drivers and dynamics in reform, recovery and reconstruction</p> <p>4. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Technical inputs on governance and citizen engagement for the CCCR</p>
Number of projects benefitting from enhanced citizen engagement/ grievance redress mechanisms - per year	N/A	2	2	Exceeded (3)	<p>1. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Transport Corridor Project</p> <p>2. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - EODP</p> <p>3. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - CCCR</p>

Trust Fund Performance and Scale Indicators

Trust Fund Performance

Performance Indicators	Baseline	Progress (as of June 2021)	Target	2022 Results	Frequency of Data Collection	Data Source
1. Disbursement ratio of active RE and BE activities (in percent) (in relation to committed grant amount and covers the entire grant period)	0	8	2022: 10%	BETF: 28% RETF: 6% Average: 17%	Annual	World Bank (I3RF Secretariat)
			2023			
2. Timeliness (average # of months between RE project endorsement at Steering Committee to first disbursement)	N/A	20 months	2021 – 2023: 15 months	13.3 months	Annual	World Bank (I3RF Secretariat)
3. Portfolio quality (percent of active I3RF RE operations rated moderately satisfactory or higher)	0		TBC	75%	Annual	World Bank (I3RF Secretariat)
4. Number of I3RF Steering Committee meetings, with agenda and necessary documents circulated 7 days in advance, GoI/MoP in attendance, and minutes circulated promptly. (cumulative)	2019: 3	7	2022: 12	2022: 10	Annual	World Bank (I3RF Secretariat)
			2023: 16			

Scale Indicators

Indicators	Baseline	2020 Results Achieved	2021 Results Achieved	2022 Target	Status and Results Achieved	Project Name, Results and Date
5. Number of World Bank Group (WBG) investments benefitting from I3RF co-financing or technical support – cumulative	0	6	13	12	Exceeded (15)	1. Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - EODP 2. Water Supply and Sanitation Utility Reform Technical Assistance - Baghdad water supply and sewerage improvement project 3. Support to Tertiary Education in Iraq - Capacity building on competitive fund programs 4. Support to Education and Skills Development - EODP education component 5. Support to Education and Skills Development - Innovation towards learning in lagging Iraqi governorates

Indicators	Baseline	2020 Results Achieved	2021 Results Achieved	2022 Target	Status and Results Achieved	Project Name, Results and Date
						<p>6. Support to Education and Skills Development - Support to tertiary education in Iraq</p> <hr/> <p>7. Social Protection & Jobs for Poor and Vulnerable Iraqis - Protecting and Promoting Human Capital Project: An Economic Inclusion Pilot</p> <hr/> <p>8. Social Protection & Jobs for Poor and Vulnerable Iraqis - Social Safety Net Enhancement Project</p> <hr/> <p>9. COVID-19 Response and Health System Strengthening - Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring</p> <hr/> <p>10. Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring - Iraq COVID vaccination project</p> <hr/> <p>11. Analytics and Advisory for Management of Public Resources and Fiscal Federalism – Public Financial Management Modernization Project</p> <hr/> <p>12. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Strengthening Fiscal Accountability and Oversight Institutions</p> <hr/> <p>13. Building Evidence for Policy Making - Protecting and Promoting Human Capital Project: An Economic Inclusion Pilot</p> <hr/> <p>14. Building Evidence for Policy Making - Primary Education Project</p> <hr/> <p>15. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - TCP</p> <hr/> <p>16. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - CCDR</p> <hr/> <p>17. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - EODP</p>
6. Number of institutions and government entities benefiting from all I3RF projects – per year	N/A	N/A	28		28	

Indicators	Baseline	2020 Results Achieved	2021 Results Achieved	2022 Target	Status and Results Achieved	Project Name, Results and Date
7. Number of knowledge sharing or learning activities or events to disseminate I3RF analytical work and/or lessons learned – per year	0	19	62	20	Exceeded (62)	<p>1. Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - Technical workshop on neighborhood planning approach (Beirut, March 2022)</p> <hr/> <p>2. Revitalizing the Agriculture Sector in Iraq - Climate Smart Agriculture</p> <hr/> <p>3. Revitalizing the Agriculture Sector in Iraq - WEAL e-learning</p> <hr/> <p>4. Support to Manage Environmental Pollution Hotspots in Iraq - Estimating Cost of Environmental Deterioration (COED) in Iraq workshop (Beirut, November 2022)</p> <hr/> <p>5. Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements - 3 activities to disseminate findings</p> <hr/> <p>6. Water Supply and Sanitation Utility Reform Technical Assistance – 3 trainings on (i) Utility corporatization; (ii) Public Private Partnership (PPP) (including contract and management, PBC in NRW); and (iii) Risk Management</p> <hr/> <p>7. Support to Manage Environmental Pollution Hotspots in Iraq - 4 technical training programs with 65 participants</p> <hr/> <p>8. Support to Education and Skills Development - National Assessment Strategy Workshop</p> <hr/> <p>9. Support to Education and Skills Development - Infrastructure Policy Presentation to stakeholders and Teacher Deployment note presentation to MoE, MoP and MoF</p> <hr/> <p>10. COVID-19 Response and Health System Strengthening - 2 training workshops for frontline health workers (March 2022)</p> <hr/> <p>11. COVID-19 Response and Health System Strengthening - 1st workshop on costing (October 2022)</p> <hr/> <p>12. Iraq Financial Sector - Workshop on cyber resilience (February 2022)</p> <hr/> <p>13. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Payroll Workshop with MoP/CSO and payroll committee</p> <hr/> <p>14. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - 7 Workshops with General Tax Authority</p>

Indicators	Baseline	2020 Results Achieved	2021 Results Achieved	2022 Target	Status and Results Achieved	Project Name, Results and Date
						15. Enabling Environment for Small and Growing Businesses - 12 customized coaching sessions with 3 early-stage financing programs
						16. Enabling Environment for Small and Growing Businesses - 2 reverse missions to disseminate the results of the analytical work
						17. COVID-19 Adaptation and Recovery Pilot: Supporting Firms Resilience, Access to Finance and Growth in Iraq - Virtual / physical presentations of the market diagnostic to relevant donor organizations operating in Iraq, WBG, and Project Implementation Unit
						18. COVID-19 Adaptation and Recovery Pilot: Supporting Firms Resilience, Access to Finance and Growth in Iraq - Presentation of the assessment of the micro-finance landscape in Iraq to MoF
						19. Building Evidence for Policy Making - BBL organized for dissemination of SP-Humanitarian Targeting papers (May 2022)
						20. Building Evidence for Policy Making - Technical workshop for the IHSES III survey (Baghdad, May 2022)
						21. Iraq Household Socioeconomic Survey III - Training workshop on the Concept and Measurement of Poverty to the MoP and KRISO staff (Erbil, June 2022)
						22. Iraq Household Socioeconomic Survey III - PRS III kick-off workshop (Erbil, July 2022)
						22. Iraq Household Socioeconomic Survey III - Financial Management and Procurement Training Workshop to the CSO and KRISO PMTs (Erbil, August 2022)
						23. Iraq Household Socioeconomic Survey III - PRS III first process workshop (Erbil, November 2022)
						24. Fiduciary Oversight and Capacity Strengthening - 4 training courses on procurement and financial management delivered by International Training Center of ILO (ITC-ILO)
						25. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - 2 Workshops on project findings

Indicators	Baseline	2020 Results Achieved	2021 Results Achieved	2022 Target	Status and Results Achieved	Project Name, Results and Date
						<p>26. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - CCDR discussion with academics on climate change in Iraq</p> <hr/> <p>27. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - CCDR civil society dialogue on climate change in Iraq</p> <hr/> <p>28. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - 3 meetings of CCDR multistakeholder advisory group</p> <hr/> <p>29. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Youth dialogue on climate change</p>

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**ANNEX 2 – PROGRESS
OVERVIEW PER PROJECT**

PILLAR 1: SOCIO-ECONOMIC RECOVERY AND RECONSTRUCTION

1.1 Area-Based Reconstruction in Mosul and Other Urban Centers

Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq – BE activity

P CODE	PI62875
GOVERNMENT COUNTERPART	MoP, Reconstruction Fund for Areas Affected by Terroristic Operations (ReFAATO); Governorates Project Management Teams (PMTs), MoCHMPW
READINESS & GOVERNMENT ENGAGEMENT	The WB teams work in close collaboration with the MoP, MoCHM&PWs and ReFAATO, governorate officials, and relevant municipal officials. Externally, partnerships in implementation have been established and will be sought with various local and international organizations, such as UN-Habitat, relevant UN agencies, various bilateral funded initiatives, and those with ongoing cultural heritage projects in Mosul, including the International Centre for the Study of the Preservation and Restoration of Cultural Property, Smithsonian, and UNESCO.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To support planning for and facilitating an area-based approach (ABA) using integrated multi-sector and participatory approaches for the recovery and reconstruction of Iraq's urban centers, starting with Mosul, Basra, and Baghdad as pilots. This will inform recovery and reconstruction investment decisions to promote social reconciliation, incentivize economic development and job creation, and restore services, along with a focus on institution building.
BRIEF PROJECT DESCRIPTION	The activity aims to develop an integrated, multi-sector, participatory approach for resilient, inclusive, sustainable recovery of urban centers in Iraq, based on good practices and lessons from other post-crisis reconstruction efforts and Iraqi initiatives. This will entail an area-based approach program being piloted in Mosul, Baghdad and Basra. Going beyond conventional approaches to reconstruction, short- and medium-term plans would integrate issues related to institution building, social capital development, inclusion, and cultural heritage to promote peace over the medium-term. In addition, the Project is carrying out a comprehensive diagnostic for municipal sector in Iraq, including primary data collection and KIIs in select municipalities/governorates to prepare a sector transformation roadmap for municipal services, local development, and climate resilience. This study is expected to inform the design of the new potential lending operation on municipal services. Furthermore, the Project contributes to capacity building, including at the subnational level.
TIMEFRAME	April 2020 – November 2022
SECTOR CONTEXT	In line with the Recovery, Reconstruction and Development Plan (RRDP), the Gol has been leading the recovery and reconstruction effort with support from the international community. Over the last two years, early recovery activities such as restoring service delivery, reviving markets and reconstructing key facilities have been happening. However, more progress needs to be made to integrate these activities into a more comprehensive city-wide reconstruction planning, and to introduce new thinking in city planning, governance and growth. This would support the government's intention to improve living conditions for the affected population of Mosul, Basra, and Baghdad. Supporting the needs of both internally displaced persons and returnees in urban centers is increasingly important for social cohesion and sustainable recovery, and will be a key consideration in the selection of pilot project cities. Subnational governments are at the frontline of service delivery that meets local demands. Technical assistance, capacity development, institutional strengthening, project management support, and monitoring are very important for engaging at the subnational level. Hence, the subnational PMT's capacity development has been a priority for the project.

COMPONENTS	<ol style="list-style-type: none"> 1. Area Based Approach for Urban Reconstruction: Create a plan/strategy for inclusive and resilient recovery of Iraqi urban centers which fosters local economic development and supports the forcibly displaced and their hosts. 2. Subnational PMT's Capacity Building: Building capacity at the governorate level to adopt an area-based approach to the identification, design and investment coordination of reconstruction projects in line with city-level reconstruction needs and priorities. 3. Pilot projects: Includes the preparation of three pilot projects in three cities. 4. Municipal sector diagnostic: Including primary data collection and KIs in select municipalities/governorates to prepare a sector transformation roadmap for municipal services, local development, and climate resilience.
FINANCING	I3RF: US\$2 million; Quality Infrastructure Investment Partnership Grant: US\$500,000
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>The programmatic approach will promote complementarity of the peacebuilding and citizen engagement activities funded under the I3RF. The Subnational PMT's Capacity Building pillar is part of the broader EODP, especially Component 10, the objective of which is to restore basic municipal infrastructure and services and support socio-economic development in selected urban areas in Iraq by strengthening the institutional capacity of the Gol at the local and national levels. It also supports preservation of cultural heritage assets. The activity also aligns with the Gol's priorities as outlined in the RRDP, namely pillars 1, 2, and 4 (Governance; Reconciliation and Peacebuilding; Infrastructure) and with the Gol's National Development Plan, namely pillar 1 and 2 (Forging Stability and Peace and Delivering Good Leadership; Reconstruction and Recovery for Liberated Governorates). Finally, the ABA will support the potential Iraq Resilient and Inclusive Territorial Development Program (P178152).</p>
LINK TO THE GOI REFORM AGENDA	<p>This ABA activity will support the reform program under the White Paper, in particular pillar III to improve basic infrastructure focusing on the recovery and rehabilitation of multiple sectors and pillar IV to increase access to basic services and protect the most vulnerable people. The ABA will also identify opportunities for job creation and for possibly increasing SMEs engagement in recovery, rehabilitation, and reconstruction.</p>
TYPE OF SUPPORT	Technical Assistance, Advisory Support, and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to economic empowerment of women and girls, and to improving data on gender. Iraqi women have limited voice and agency and limited work choices. According to the World Bank, less than 15 percent of women work in Iraq and the gender wage gap is 22 percent. Further, one in five Iraqi women have suffered from harassment in public, and concerns over women personal security prevent women from seeking work, and from working. Currently, most PMT members are men, and hence there is a need to extend the target audience for trainings to women in academia, private sectors and local communities. ABA is a geographically targeted, participatory, and multi-sectoral approach, which entails city-wide planning and local area planning to respond to the specific needs of a population recovering from crisis. The proposed strategy will adopt a gender-sensitive approach to the area-based approach pilots, so as to increase women's involvement in planning their cities, and hence helping make public space more secure and comfortable to increase women's engagement in public life and the workplace. The pilot projects will actively engage women in the cities, and seek their inputs on employment preferences and economic opportunities that could be harnessed through the pilot projects.</p>
CLIMATE CHANGE & THE ENVIRONMENT	<p>The new strategy has been designed to address climate adaptation and mitigation, resilience and inclusiveness for recovery and reconstruction in Iraqi cities. A climate risk diagnostic was carried out which assessed climate risks in the country and in 32 targeted cities. The outcomes of the diagnostic helped select the most vulnerable cities for the pilot projects. Capacity building activities help address climate mitigation and adaptation and build awareness and specific capacities among PMTs and other stakeholders. The Iraq NDCs include target emission reductions of 1–2 percent in Greenhouse Gas emissions by 2030, and this strategy will create a platform for further Greenhouse Gas reduction in urban centers.</p>

DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	The activity is a successful example of cross-Global Practice (GP) collaboration. It is managed by Urban, Disaster Risk, Resilience, and Land on the WBG side with sector GPs, including the Governance GP, Social GP, and the Fragility, Conflict and Violence (FCV) Group. From the Gol side, MoP, ReFAATO and the PMTs are managing the activity, and other counterparts are being identified to develop pilot projects.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2022	Under the ABA, the World Bank has undertaken a multi-dimensional geospatial diagnostic of 32 Iraqi cities covering the following criteria: (i) City size & rate of urbanization; (ii) Climate change vulnerabilities; (iii) Donor landscape; (iv) Level of physical damage; (v) Stability & security (protests and unrest); (vi) Number and Vulnerability of IDPs & returnees; and (vii) Poverty. This 32-city analysis revealed an alarming level of risk in the three largest cities in the country: Baghdad, Mosul, and Basra. These three cities are, therefore, the natural choice for pilot study cities that form the ABA benchmark for other cities as part of the strategy. The technical workshop was successfully carried out in Baghdad on June 8 with representatives from MoP, MoCHMPW, ReFAATO, and the three governorates. During the workshop, the agencies and the Bank team agreed on key challenges in each sector and region. The agencies attending the workshop expressed their appreciation of the Bank's support and their enthusiasm to continue supporting the TA. Furthermore, a workshop on urban design and neighborhood planning approach was delivered in March 2022. It focused on the process of comprehensive planning of neighborhoods where community goals are at the core of the development. The audience, including representatives from PMTs, ReFAATO, and Ministries, had walked through various stages of planning and implementation, starting from defining the neighborhood boundaries to public consultation, design, and implementation, and finally monitoring and evaluation. The workshop targeted to introduce key concepts and presented examples to demonstrate the application of this important planning tool. The I3RF supports PMTs to design area-based approach plans using city-wide integrated planning methods and a multi-sectoral approach to respond to the immediate needs of the population recovering their lives in various neighborhoods/localities of the city.
IMPLEMENTATION CHALLENGES	Due to security and COVID restrictions, the team's mission to Baghdad was delayed until the start of June, 2022. The team is looking forward to another mission to advance consultations on priorities for pilot projects.
BENEFICIARIES	Beneficiaries of the activity will be people residing in and returning to Mosul, Baghdad, and Basra, with a focus on youth, women, Internally Displaced Person (IDPs), refugees, and host communities, as well as PMTs at the governorate level.
GEOGRAPHIC COVERAGE	The activity has a sub-national scope with a focus on Mosul, Baghdad, and Basra as pilots; then possibly scale-up of the area-based approach to other urban centers. Capacity building activities also include PMTs in three other governorates in which the investment project is operating, namely Anbar, Diyala and Salah El Din.

1.2 Agriculture, Natural Resources and Water

Revitalizing the Agriculture Sector in Iraq – BE activity

P CODE	P171561/ P178385
GOVERNMENT COUNTERPART	Ministry of Agriculture
READINESS & GOVERNMENT ENGAGEMENT	Focal points from the government are attending the meetings on the analytical products and providing MoA's feedback. For the online learning events, the focal points provided a suggested list of participants from the relevant Ministries.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To deliver policy recommendations and innovative solutions to encourage the agri-food system digital transformation and climate-change adaptation, and the promotion of women labor participation in the sector.
BRIEF PROJECT DESCRIPTION	The proposed activity is an initial step towards longer-term engagement to modernize Iraq's agri-food sector and maximize its contribution to employment, economic recovery, diversification, and resilience. It aims to set in motion an in-depth transformation process through a 3-track approach: Policy Formulation and Capacity Building (track 1), Social Inclusion (track 2), and Technological Innovation (track 3).
TIMEFRAME	February 2020 – March 2023
SECTOR CONTEXT	The prolonged conflicts, sanctions, and policies in Iraq have had a major negative impact on the development of Iraq's agri-food sector and food trade. Prior to the advent of Islamic State of Iraq and Syria (ISIS), the agricultural sector had grown fairly steadily for more than 40 years, apart from short dips around the first and second Gulf Wars. The infrastructure required for agricultural production and innovation has been severely eroded by conflict, especially in key agricultural zones. Overall, the conflict is estimated to have lowered Iraq's agricultural productive capacity by 40 percent and increased its dependence on food imports. The agri-food sector offers opportunities for economic diversification and growth and can contribute to peace and reduce fragility. Primary agriculture is one of the largest non-oil sectors of Iraq's economy (5 percent of GDP). The entire agri-food sector contributes to a much higher percentage of GDP. The agricultural sector is a significant source of employment (approximately 19 percent) and is probably the main source of jobs in the private sector. Once the agri-food sector is rehabilitated, it has a high potential to increase and stabilize crop yields. The projections of the Iraq Economic Monitor 2019 indicate that achieving Iraq's Net Domestic Product yield targets for fruits and vegetables, livestock and cereals would lead to a 27 percent increase in agriculture GDP in the short- to medium-term.

COMPONENTS	<p>Track 1- Policy Advice and Capacity Building</p> <p>Track 2- Social Inclusion: Women's Empowerment</p> <p>Track 3 – Technological Innovation: Digital Platform</p> <p>Implementation support</p>
FINANCING	I3RF: US\$1.5 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	EODP, Support for improved farm management and piloting models of aggregation in Iraq - (P173503), and Agrifood Sector Transformation in Mashreq - (P175510)
LINK TO THE GOI REFORM AGENDA	The project directly contributes to the White Paper which prioritizes interventions in the agrifood sector. Specifically, it will contribute to the following priority – "Improve the entire value chain from the start (land and inputs) to the end (agricultural outputs and agriculture-dependent sector's inputs), and target key opportunities to increase the agricultural sector's contribution to GDP".
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to economic empowerment of women and girls, improving data on gender and improving laws and policies affecting women. Women in Iraq suffer from poor educational opportunities and healthcare, and limited access to the labor market, as well as high levels of violence and inequality. The slow progress in increasing Iraq's human development indicator (HDI) is explained by gender inequalities in health, education and Gross National Income per capita. The effects of gender inequality are reflected in the human development of the country. In 2018 gender inequality resulted in a 19.8 percent reduction in human development in Iraq. The gender inequality index value is 0.54, ranking Iraq 131 out of 162 countries in the 2018 index. The gender inequality in rural areas is even more evident, and aggravated by limited access to finance, natural resources, agricultural inputs, education and health services, as well as substantial social inequalities; however, there are limited data on women's disempowerment in different areas to inform gender-sensitive interventions. This is in contrast with the significant role that women play in agriculture and the food-system.</p> <p>The activity developed the Pro-Women's Empowerment in Agriculture Index (WEAI) survey questions and manual in Arabic and in line with the Iraqi context in order to track women's roles, the extent of rural women's engagement in decision-making related to agricultural production, control over income use, and community leadership. Additionally, based on the customized Pro-WEAI tool for Iraq an e-learning was provided to the staff of MoA and the Women's Directorate to identify major areas of women's disempowerment and inform gender-sensitive interventions.</p>
CLIMATE CHANGE & THE ENVIRONMENT	The project contributes to climate adaptation and mitigation through capacity building activities on Climate Smart Agriculture (CSA) interventions in Iraq. Specifically, it will (i) articulate benefits from pursuing these options (economic, social, and environmental), including economic and financial feasibility studies results; (ii) make recommendations for public support and policy realignment, budgeting, planning, and institutional/legal frameworks to maximize public investment and leverage private investment for CSA implementation. The activity will also directly contribute to Iraq's NDC as it underlines the importance of adaptation of the agricultural sector for increased resilience and sustainable development.
DIGITIZATION & E-GOVERNANCE	The project contributes to digitization

COVID-19 RESPONSE & IMPACT	The activity contributes to the COVID-19 response by (1) assessing COVID-19 impacts on food security and identifying policy options and emergency interventions; (2) providing capacity building through e-learning modules; (3) increase clients' knowledge about remote sensing technologies for remote supervision; (4) assessing the gender-differentiated impacts of COVID-19.
IMPLEMENTATION ARRANGEMENTS	The Agriculture and Food GP implements the activity with MoA. The team collaborates with Macroeconomics, Trade and Investment (MTI), Water, Finance, Competitiveness & Innovation (FCI), and Social Protection and Jobs (SPJ) GPs, and International Finance Corporation (IFC).
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The pilot of the Women's Agriculture Empowerment Index (WAEI): The activity has developed and piloted the Pro-Women's Empowerment in Agriculture Index (WEAI) survey questions and manual in line with the Iraqi context in order to track women's roles, the extent of rural women's engagement in decision-making related to agricultural production, control over income use, and community leadership. Based on the customized Pro-WEAI tool for Iraq, an e-learning was provided to the staff of MoA and the Women's Directorate to identify major areas of women's disempowerment and hence inform gender-sensitive interventions to improve women's lives and livelihoods. This module involves approximately 3 hours of online content followed by a final quiz. The module is hosted on IFPRI's platform and can be used by other MENA countries at Module login: Link¹³ . In June 2022, an e-learning on Climate Smart Agriculture took place, which aimed to present the concept of smart climate agriculture, provide information about climate change impacts on the agri-food sector of Iraq, and describe the required mitigation and adaptation measures. The training was attended by representatives from the MoA, MoEnv, private sector, NGOs and academia. The activity also produced the conceptual framework for the Digital Agrifood Platform for Iraq report; which outlines the opportunities and challenges of establishing a digital dashboard and farmers registry for the Iraq food system, and was delivered by the contractor in July 2022. After the World Bank's technical editing and translation, it will be disseminated to the relevant stakeholders.
IMPLEMENTATION CHALLENGES	N/A
BENEFICIARIES	Ministry of Agriculture, and rural population, food insecure population, women.
GEOGRAPHIC COVERAGE	National

Support for Improved Farm Management and Piloting Models of Aggregation in Iraq – RE activity

P CODE	PI73503
GOVERNMENT COUNTERPART	Ministry of Agriculture
READINESS & GOVERNMENT ENGAGEMENT	The government provided feedback on project design, which FAO will implement. During implementation, the MoA will provide oversight of the project and receive capacity-building support.

¹³ <https://www.facebook.com/100064619419429/posts/417472780416699/>

STATUS	Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To deliver proof of concept for an innovative aggregation model to enhance productivity, commercialization, and climate resilience in the dairy supply chain in selected regions of Iraq.
BRIEF PROJECT DESCRIPTION	The project aims to pilot innovative commercialization models and extract lessons learned by investing in five interrelated areas: (i) promoting strategic productive alliances between smallholders and private sector, (ii) increasing access to productive assets and technology, and (iii) promoting more effective and climate smart practices for feed and livestock production; (iv) building business development skills and improving knowledge about climate smart agriculture; and (v) sharing results with decision makers. The targeted species are cattle, buffalo, goats and sheep. These value chains are considered strategic for both food security/nutritional supply and for their comparative advantage on national markets and associated income generation potential. Furthermore, the project will strengthen the government's organizational capacity at the governorates level to ensure the sustainability of the intervention and contribute to scaling up. Dairy farming and fodder production are labor-intensive, and milk collection, animal feed preparation and other activities are expected to generate additional employment and contribute to small business development. Employment generation and small business activities may encourage young people to stay in their villages and take up farming and generate (additional) income by providing services (such as grass cutting and fodder preparation, shed cleaning, milk collection and testing, etc.).
TIMEFRAME	N/A
SECTOR CONTEXT	The prolonged conflicts, sanctions, and policies in Iraq have had a major negative impact on the development of Iraq's agri-food sector and food trade. Prior to the advent of ISIS, the agricultural sector has grown fairly steadily for more than 40 years, apart from short dips around the first and second Gulf Wars. Because of ISIS-related conflict the infrastructure required to support agricultural production and innovation has been severely eroded, especially in key agricultural zones. Overall, the conflict is estimated to have lowered Iraq's agricultural productive capacity by 40 percent and increased its dependence on food imports. Livestock production had been an important pillar of Iraq's agriculture sector, and the second largest agricultural subsector, but a significant number of livestock were lost due to conflict, and did not recover to pre-conflict levels in many areas. Most dairy farmers produce for the local market only, because local demand is very high and often exceeds supply and there are limited marketing opportunities. The dairy value chain is also characterized by very poor milk quality standards, with no cooling facilities for milk storage, transport and processing available. High feed prices and unsustainable land management, loss of cultivable land to desertification, and recurrent droughts, exacerbated by climate change further constrain nutritive feed availability and livestock productivity.
COMPONENTS	Component 1: Structuring Dairy value chain Component 2: Livestock fodder production Component 3: Project management
FINANCING	I3RF: US\$5 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The project aims to support EODP.
LINK TO THE GOI REFORM AGENDA	The project directly contributes to the White Paper, which prioritizes interventions in the agrifood sector. Specifically, it will contribute to the following activity – "Improving the entire value-added chain from the start to the end."

TYPE OF SUPPORT	Technical Assistance, Advisory Support and Access to productive assets
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to economic empowerment of women and girls and improving data on gender. Animal husbandry was an important source of income and food for female-headed households. Women face a range of barriers to entrepreneurship and employment in agriculture. Human, and financial capital constraints hindering women's entrepreneurship and employment opportunities include a lack of technical skills, business knowledge, and limited access to financial services. Women tend to have less access to agricultural extension services and information on marketing opportunities for products. Women's limited ownership of key assets impairs their ability to present collateral. Physically accessing financial institutions might also be more difficult for women given their more limited mobility and time (due to childcare, etc.). The project will aim to leverage women's active, yet often informal, involvement in the rural economy, and build skills by developing women-led farmers groups along the dairy value chain. The project will help to close gender gaps by addressing constraints in access to productive assets, technical and business skills training. The project will have a strong positive impact on women-led dairy farmers groups, and benefit women in their roles as producers, processors, marketers, and service providers. The design of eligibility criteria for productive assets would ensure that female farmers can fulfill the preconditions.
CLIMATE CHANGE & THE ENVIRONMENT	Food availability is compromised by projected yield declines driven by changing temperature and precipitation patterns. As water shortages are projected to worsen with climate change, salinization problems will worsen without deliberate strategies to adapt. Increasing water scarcity driven by climate change is a significant challenge for the agriculture sector, the largest water user in Iraq. At the same time, according to Food and Agriculture Statistics (FAOSTAT), agriculture also contributes a substantial share of Iraq's Greenhouse Gases (GHG) emissions. It is estimated that agriculture contributes 2.7 percent of emissions, making it the largest greenhouse gas emitting sector after the energy and waste sectors in Iraq. Additionally, unaccounted GHG emissions are caused by food waste and loss in the agri-food supply chain due to poor harvesting techniques. Therefore, the activity will contribute to climate change adaptation by promoting climate-smart agriculture practices (e.g., improved varieties breeding and water management practices), and climate change mitigation through improved carbon sequestration in soils and biomass, and reduced GHG emissions from livestock through improved feeding and grazing practices. The activity will directly contribute to Iraq's NDC as it underlines the importance of adaptation of the agricultural sector for increased resilience and sustainable development.
DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	This operation will support Iraq to buffer the impact of the COVID-19 crisis, help build the resilience of households and businesses, and inform Government's efforts to implement a new program for agriculture and rural areas that will lead to a stronger and more inclusive recovery.
IMPLEMENTATION ARRANGEMENTS	The activity is implemented by the Agriculture and Food Global practice from the WB, and the MoA from the GoI. The team collaborates with IFC and FCI.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	All project activities are designed to enhance the capacity and incentives of dairy farmers in selected areas to connect to the dairy value chain – during and after project implementation in order to enhance productivity, commercialization, and climate resilience in the dairy supply chain. Small-scale farmers will be equipped with knowledge, skills and the organizational infrastructure to actively engage in the value chain and will have access to productive assets to upgrade their activities in the dairy sector. Equally, processors and traders working in the dairy value chain will have an opportunity to receive advice. The project will also seek to improve climate resilience and environmental sustainability of livestock production.
IMPLEMENTATION CHALLENGES	MoA and MoP endorsed the project team's design. However, the delay in the endorsement negatively impacted the overall project's preparation timeline. After the endorsement, the implementing agency prepared and submitted the Stakeholder Engagement Plan and Environmental-and-Social-Commitment-Plan for the Bank's review. Financial management and procurement assessment is ongoing. The signing is expected in early 2023.

BENEFICIARIES	The direct beneficiaries of the project are 5 250 smallholder farmers of which 50 percent will be women, and 50 percent will be youth. Indirect beneficiaries include marketing businesses (wholesalers and retailers), public and private service providers, and other non-state institutions involved in the selected agricultural value chains.
GEOGRAPHIC COVERAGE	The project will be implemented in ThiQar Governorate in the South, Babylon and Najaf Governorates in Central Iraq, and Erbil Governorate in the North of the country.

Support to Manage Environmental Pollution Hotspots in Iraq – BE/RE activity

P CODE	PI73049
GOVERNMENT COUNTERPART	Ministry of Environment (MoEnv)
READINESS & GOVERNMENT ENGAGEMENT	The activity is being implemented through a 'Learning by Doing Approach', in close collaboration with MoEnv, MoO, Ministry of Industries (MoI) and other stakeholder ministries. As part of this collaboration, project activities such as field assessment of hotspots, laboratory analysis of pollution, detailed GIS mapping, identification of priority hotspots and development of a roadmap for remediation of hotspots, were carried out jointly with the officials of these ministries. This led to significant improvements in the capacity of the participating agencies and ownership of the project outputs.
STATUS	BE: Active; RE: Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To support Gol to analyze environmental hotspots and prioritize rehabilitation and clean up actions.
BRIEF PROJECT DESCRIPTION	The project is designed based on the Damage Need Assessment (DNA) carried out by The World bank in 2018, which estimated chemical and hydrocarbon contamination of over 10,569 hectares and the unusable nature of over 2.3 million hectares of land due to a series of conflicts in Iraq. Building on the efforts of the Chemical Management & Contaminated Sites Assessment Department of MoEnv and other development partners such as United Nations Environment Program, the project is carrying out the following tasks: (i) Prepare a detailed inventory of critical pollution hotspots in Iraq; (ii) Identify priority sites for remediation with emphasis on community health and safety and local economic development; (iii) Conduct technical assessment of hotspots; (iv) Support preparation of an information system for contaminated hotspots, and (v) Develop a roadmap/action plan for the program on remediation of hotspot sites in Iraq. These activities will contribute to the establishment of a framework for sound management of environmental and conflict pollution hotspots in Iraq with twin objectives of mitigating health & safety risks and contributing to local economic development through remediation. As a follow up to the ongoing BE activity, an RE activity is also being prepared that supports preparation and implementation of detailed remediation at priority hotspots, augment the laboratory infrastructure of MoEnv, and design a national program to remediate environmental hotspots in Iraq.
TIMEFRAME	December 2019 – March 2023

SECTOR CONTEXT	The DNA (2018) of WB estimates damage to the environment resources at IQD85 billion (US\$73 million) and sectoral losses as a result of conflict at IQD3.5 trillion (US\$3 billion). This assessment estimates that up to 47 percent of natural forests in the country may have been destroyed and over 2 million ha of land contaminated by land mines and hazardous chemicals. The effect of these impacts are disproportionately high to the most vulnerable members of society (estimated 3 million IDPs, women, female-headed households, etc.), as they rely more on natural resources to sustain their livelihoods. The DNA estimates that to restore damaged environmental and natural resource assets will require about IQD6.5 trillion (US\$5.5 billion). In the short term (first year), the needs are estimated at IQD19 billion (US\$16 million) and at IQD6.48 trillion (US\$5.48 billion) over a 2–5 year period. This includes infrastructure reconstruction, capacity restoration, and environmental rehabilitation (ecosystem rehabilitation, clean up, and remediation, etc.). In response to this context, the GoI, through MoEnv and MoO has identified the following priority actions for which technical assistance from the WB/I3RF (i) develop technical capacity for remediation and rehabilitation of environmental hotspots; and (ii) support policy and institutional actions for a national program on remediation of contaminated sites. Based on this, GoI intends to remediate priority sites.
COMPONENTS	<p>Component 1: Develop a detailed inventory of pollution hot spots/contaminated sites</p> <p>Component 2: Identify priority remediation sites</p> <p>Component 3: Detailed assessment of priority contaminated sites</p> <p>Component 4: Develop a roadmap/action plan for remediation of contaminated sites in Iraq</p>
FINANCING	I3RF: US\$1 million BE (ongoing) and US\$5 million (RETF) in preparation.
LINKAGES TO OTHER PROJECTS/ INITIATIVES	Encouraged by support from the WB/I3RF on environmental hotspots, GoI has requested the Bank to help prepare and implement an ,Integrated Persistent Organic Pollutants (POPs) Management Project (P178935) with a US\$15 million grant from the Global Environmental Facility (GEF). The concept of the project has been approved by the GEF Council and the project is planned to be submitted in December, 2023 for GEF CEO and WB Board approval. This project closely links to the chemicals and hazardous substances management aspect of the ongoing I3RF support related to environmental hotspots.
LINK TO THE GOI REFORM AGENDA	The project is linked to Recovery Pillar 3 (Social Human Development) of GoI's Reconstruction and Development Framework (RDF) which identifies the rehabilitation of environmental hotspots as a priority. The project also addresses critical structural challenges identified in the RDF, such as security issues due to the significant presence of explosive hazards and contamination, private sector constraints associated with poor security, and exclusion of vulnerable groups.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project indirectly contributes to economic empowerment of women and girls, improving data on gender and improving laws and policies affecting women. While no specific gender analysis has been carried out, the key gender challenges related to the sector include (i) vulnerability of women to health impacts arising out of environmental hotspots; (ii) lack of access to adequate and clean water and (iii) safety risks. Since the project is an ASA, implementation of remediation technologies (by GoI and/or through an IBRD project) identified for the remediation of environmental hotspots will address the challenges identified above.
CLIMATE CHANGE & THE ENVIRONMENT	Extreme weather events like floods, droughts and dust storms triggered by climate change further exacerbate the problem of contaminated sites. Such events may spread soil and ground water contamination, drive desertification, and make the environment less resilient, leading to impacts on human health, agriculture and the economy. The remediation activities identified through the ASA will contribute to climate mitigation benefits as remediation of pollution hotspots will help reduce GHG emissions. Remediation of hotspots is not included in Iraq's NDC commitments; however, the activities recommended by the ASA project will contribute to the reduction GHG emissions.

DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	The project is being carried out by the Environment, Natural Resources and Blue Economy Global Practice of the World Bank, in close partnership with the MoEnv and its oil pollution division. The project is also engaging with the Environmental Protection Improvement Directorate (EPID), the Environmental Council, EPIDs in identified governorates and the MoO.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The project is nearly complete and on track to achieve its objectives. The project has been able to achieve two distinct results (i) Inventory and assessment of environmental hotspots and (ii) capacity building of GoI agencies. With regard to (i) above, the project (a) through satellite mapping and field inventory has identified 81 environmental hotspots in seven conflict-affected governorates; (b) conducted assessments in 77 sites; (c) prepared detailed maps for the 77 sites; (d) developed a WebGIS information system for continuous monitoring and update of hotspots data; (e) identified five sites as very high risk and 14 sites as high risk sites; and (f) developing a roadmap for the remediation of hotspots in the country. The officials of MoEnv and MoO were involved in carrying out these activities, so that their technical capacity has improved through 'learning by doing approach'. In addition, specific technical training programs (one in 2021 and four in 2022) were provided to 95 participants (30 in 2021 and 65 in 2022) over the past two years. These included (a) comprehensive training on concept, assessment and remediation of contaminated sites (June 2021); (b) field assessment and environmental sampling of hotspots (March–August 2022); (c) Laboratory analysis of hazardous chemicals (August 2022); (d) satellite and GIS mapping of environmental hotspots (October 2022); (e) assessment of 'cost of environmental degradation' (November 2022). As a follow up to the ongoing BETF project and as approved by I3RF, the team is now working with MoEnv on a US\$5 million RETF project to help GoI in developing and implementation of remediation plans in priority sites. The proposed components of the RETF will include (i) preparation of detailed remediation plans for one or two priority sites; (ii) implementation of remediation plan in one or two sites (depending on time and fund availability); (iii) procurement of laboratory and other infrastructure to analyze and assess hotspots; (iv) preparation of an implementation plan for the remediation of environmental hotspots in Iraq and (v) development of policies, regulations and standards for implementing hotspots remediation program.
IMPLEMENTATION CHALLENGES	The project began during the COVID-19 pandemic, making it difficult to hire international consultants to carry out the project activities, especially the inventory of environmental hotspots and assessment of their pollution status. To address these challenges, the team modified its implementation strategies by (i) accepting support from the European Space Agency to map the environmental hotspots through satellite images; (ii) training MoEnv officials on environmental hotspots and (iii) identifying local agencies to conduct pollution analysis of hotspots. Further delays were encountered in 2022 due to security challenges in accessing the sites and COVID restrictions. These challenges were managed with strong support from MoEnv and most project activities are nearly complete.
BENEFICIARIES	The project is expected to benefit local communities in the seven conflict-affected governorates, including vulnerable communities such as poor, women, children and IDPs, and will also reduce health challenges and increase economic opportunities.
GEOGRAPHIC COVERAGE	The activity focuses on the seven conflict-affected governorates of Nineveh, Anbar, Salah El Din, Diyala, Kirkuk, Baghdad, and Babylon.

Water Supply and Sanitation Utility Reform Technical Assistance – BE activity

P CODE	PI75808
GOVERNMENT COUNTERPART	Ministry of Water Resources (MoWR), Mayoralty of Baghdad (MoB) (Baghdad Water Authority- BWA), Basra Water Department (BWD)
READINESS & GOVERNMENT ENGAGEMENT	The Project is already ongoing. The Task Team is working with Government Counterparts to implement the project.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To adapt global good Water Supply and Sanitation (WSS) utility management practice to the FCV context of Baghdad and Basra with a view to building a national utility reform program financed from a diversified base of International Financial Institutions, lending, public and private sector financing.
BRIEF PROJECT DESCRIPTION	This project will provide implementation support to the institutional development aspects of the Baghdad Water Supply and Sewage Improvement Project and a program of utility reform technical assistance to the BWA and BWD, adapting good WSS utility management practice to Iraq's specific FCV context. The initial implementation support will leverage US\$210 million of IBRD financing for the Baghdad WSS Improvement Project, which became effective in 2018, by working with its implementation agencies – MoB (BWA and Baghdad Sewage Authority (BSA)). The project was prepared to support MoB (BWA and BSA) to: (i) Assess the extent and quality of existing water supply and distribution data, customer information and finance data; and plan how to improve it (ii) Provide advice on the implementation of the institutional development plan; and (iii) Document emerging lessons from Baghdad to directly feed into the Basra TA program. In parallel, a TA program for Basra's WSS service providers – the BWD will draw on emerging lessons from the Baghdad operation. The TA program for Basra includes: (i) Assessing processes of water, customer and financial management and developing a plan to modernize systems; and (ii) Developing options for a water supply backup plan for Basra's recurring summer drought emergency. Based on this TA, roadmaps for the corporatization of the Baghdad and Basra WSS service providers will be developed. The corporatization roadmaps would thereby provide a springboard to develop a national program of WSS service provider reform.
TIMEFRAME	February 2021 – March 2023
SECTOR CONTEXT	Iraq is becoming increasingly water scarce as upstream countries implement planned developments which reduce flows in the Euphrates and Tigris rivers. This impacts the arid governorates in central/south Iraq that rely on these two rivers for agriculture, industry and domestic water supply. Water quality worsens progressively along these rivers due to pollution from agricultural drains and untreated sewage inflows. This increases the cost and complexity of water treatment. Conflict and urban growth have exacerbated the decline of water quality and water services. The fall in public WSS provision has driven a rise in expensive, privately vended water. Though an estimated US\$4.8 billion in Official Development Assistance has been channeled to rehabilitation of WSS infrastructure, there are low rates of citizen satisfaction. The aim of this activity is to complement investment in infrastructure with that in institutional development.
COMPONENTS	Component1: Implementation support to the Baghdad WSS improvement project Component 2: Technical assistance program for Basra's WSS service providers Component 3: Develop roadmaps to corporatize the Baghdad and Basra utilities and disseminate progress on reform steps to service providers across Iraq

FINANCING	I3RF: US\$1.75 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The project is linked to the Baghdad Water Supply and Sewage Improvement Project (P162094)
LINK TO THE GOI REFORM AGENDA	The White Paper has a clear objective for reform of the water and sanitation sector in the country, namely the development of "a water and sanitation management system that rationalizes consumption and maintains sanitary and environmental systems." It further specifies the following outcomes: (i) Develop a comprehensive plan for the water and sanitation services sectors based on cost analysis and introducing a service fee collection principle; (ii) Restructure municipal departments and institutions in charge of water and sanitation services on a commercial or semi-commercial basis; (iii) Lay the foundations for public-private partnerships in the water and sanitation sectors and open the sector to qualified private investors and operators; (iv) Establish an independent regulatory body, according to the law, to provide oversight and regulate water and sanitation sectors; and (v) Finalize the Basra Grand Water Project and water and sanitation projects in the rest of the governorates. The Project will improve service delivery capacity and highlight areas of possible intervention for the private sector.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project takes into consideration the economic empowerment of women and girls and improving data on gender. Iraqi women today suffer from poor basic services including limited access to water and wastewater services. Deteriorating WSS affect mainly women and girls, who bear the increased burden of securing water for basic household needs as water resources dry up and/or become polluted.
CLIMATE CHANGE & THE ENVIRONMENT	This project indirectly supports climate adaptation and mitigation. Through adaptation - providing support and advice to update the water strategy and develop emergency water security plans; and mitigation - modernization and capacity building for water and wastewater authorities.
DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	The development of the emergency water plan will help water service providers to respond quickly and firmly to shocks, whether from the COVID-19 pandemic or from other natural or man-made calamities.
IMPLEMENTATION ARRANGEMENTS	The project is managed by MENA Water Global Practice, in close collaboration with the client's counterparts from the MoWR, MoB (BWA and BSA).

KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	<p>Since the last progress report the project has faced challenges and obstacles during the implementation of the agreed activities as summarized below:</p> <ol style="list-style-type: none"> 1. The GoI decided to support water authorities/departments across the country with a unified customer relationship management and billing system, which the project was developing for BWA and BWD. The project had already completed the diagnostic and assessment analysis for BWA, prepared the ToR with technical and functional specifications, and developed the Request for Bid, but the activity was recommended by the client to be cancelled since it will be financed by the GoI. 2. The BWD informed the task team that they had already developed a water security plan and did not need WB support for this. They requested that the project provide support for some infrastructure interventions and supplies, but this was not possible, as these requests fell outside the project scope, which has a technical assistance support with limited funds. Therefore, this activity was cancelled in consultation with the counterpart. 3. The BWD informed the task team that any decisions related to the corporatization roadmap fall under the responsibility of the Mayorality of Basra. Contact with the Mayorality of Basra could not be established and as such the team sees serious risks with implementing the Basra activities. 4. The corporatization roadmap will be cancelled and replaced by training for the management and staff in the corporatization concept and process. Due to these changes and the agreed restructuring of the Baghdad Water Supply and Sewerage Improvement Project - BWSSIP, the WB team and counterparts agreed to move the following activities from the BWSSIP to this project (awaiting endorsement by the I3RF SC), considering that one of the TA Project's main objectives is to help implement BWSSIP: (i) Develop water security plan for Baghdad; (ii) Develop public private partnership (PPP) framework and identify potential activities for private sector involvement in the water sector; (iii) Capacity building and training program. Furthermore, based on a request from MoWR, the following two activities will also be added: (i) Provide TA for the MoWR to update the Strategic Study for Water and Land Resources; and (ii) Improve water sector resilience and environmental impact. Furthermore, based on ongoing discussions with the MoWR, the project may finance a new activity to improve water sector resilience and its environmental impact (cost up to US\$2.5 million). 5. The team is working with the government counterpart to restructure the project and include the proposed activity.
IMPLEMENTATION CHALLENGES	<p>Faster decision making and feedback is needed.</p>
BENEFICIARIES	<p>The main beneficiaries are the MoWR and BWA and their staff who would benefit from the project's water emergency plan, staff trainings, improvement of water sector resilience, etc. The outputs are expected to improve the institutional capacity to provide services to different categories of beneficiaries (elderly, youth, women, children, etc.).</p>
GEOGRAPHIC COVERAGE	<p>The project is focused on MoB; however, it is expected that outputs under the proposed activities which will be implemented in cooperation with the MoWR will benefit all Iraqis.</p>

Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements – BE activity

P CODE	<p>PI75879</p>
GOVERNMENT COUNTERPART	<p>Ministry of Electricity</p>

READINESS & GOVERNMENT ENGAGEMENT	The Bank team has been engaging with a technical committee from the Ministry of Electricity, comprising members from multiple technical units from the Ministry and regional state electricity companies, headed by the Director General of the Department of Operations and Control. The engagement includes multiple meetings with the Bank team, including the Iraq Energy team and the Bank's Pan-Arab Regional Energy Trade Program team and consultants, in addition to exchanging information and data with regard to the status of electricity generation, transmission and distribution segments of the sector value chain.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To provide the Iraq Ministry of Electricity with technical support to conduct load flow analysis to evaluate the capacity of planned electricity network reinforcements in the southern region to meet the energy supply from the Gulf Cooperation Council (GCC) member states through the planned interconnection with the GCC Interconnection Authority (GCCIA).
BRIEF PROJECT DESCRIPTION	This technical assistance would inform preparation of a proposed lending operation to support the government to reinforce the electricity network in the southern region. The TA would support the following: (i) Conducting load flow runs to evaluate the capability of Al-Faw area's electricity transmission to meet the immediate supply gap of 500MW of imports from the GCC; (ii) Identifying the required 400kV and 132kV reinforcements and feasible connection terminals in Iraq necessary to reach the 1,800MW of electricity imports from the GCC countries in a reliable way; (iii) Developing a timeline for load growth at Al-Faw area, power plant development and any transmission expansion over the next 5-10 years; (iv) Developing recommendations for the GCCIA interconnection with Al-Faw, including design options, staging sequence and generic cost estimates; and (v) Reviewing techno-economic alternatives, providing single line diagrams, identifying technical issues and preparing cost estimates that can be used for further studies of alternatives.
TIMEFRAME	March 2021 – December 2022
SECTOR CONTEXT	The GCCIA is the owner and operator of a 400kV, 1,900MVA, 900 km backbone transmission line that supports reserve sharing and energy exchanges among the 6 GCC member states. The Gol has agreed with GCCIA to extend the transmission line (GCCIA Interconnector) from its northern end point at AlWafra in Kuwait to Al-Faw in southern Iraq (220 km inside Kuwait and 80 km inside Iraq). The GCCIA interconnector extension is estimated to cost US\$220 million with a duration of 12-14 months of implementation. The Gol has agreed with GCCIA on an initial electricity import of 500MW, while the interconnector's capacity is designed for 1,800MW. However, the current capacity of the electricity network at Al-Faw in southern Iraq (~180-200MW) is incapable of absorbing the agreed 500MW, let alone the full interconnector capacity of 1,800MW; hence, the risk of the line's under-utilization and expected take-or-pay commitments by the Gol. This calls for improving the reliability and operational efficiency of the electricity network in southern Iraq through a range of activities designed to: (i) address network capacity limitations to meet existing power demand, (ii) meet expected future load growth, (iii) provide operation flexibility, hence improved electricity supply reliability, and (iv) reduce transmission network technical losses.
COMPONENTS	Component 1: Technical Assistance
FINANCING	I3RF: US\$200,000
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The technical assistance supports a potential Bank investment project to strengthen the electricity network in the southern region of Iraq, which would increase its capacity to absorb the energy flow from the GCCIA interconnector as well as increased domestic generation.
LINK TO THE GOI REFORM AGENDA	Axis 3. Improving key infrastructure which contributes to the advancement of future sectors.

TYPE OF SUPPORT	Technical Assistance, Advisory Support, and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project takes into consideration the economic empowerment of women and girls. Prolonged and frequent electricity outages disproportionately affect women in Iraq. UN Women reports that women and girls ages 10+ in Iraq spend a quarter of their time on domestic work activities and other unpaid care responsibilities compared to the 4 percent of time that men spend. During the summer season, many women cannot afford the cost of shared diesel generators and conduct housework in excessive heat, with temperatures sometimes rising to 56 degrees Celsius (Maier et al. 2020). Improving access would also result in positive gains around Gol's goal to increase female labor force participation. Women's access to reliable and affordable electricity could contribute to female entrepreneurship and ability to generate income. According to qualitative research carried out with over 100 female business owners, entrepreneurs, students, and key experts in Basra, women-owned businesses reported reduced work hours, reduced profits, and loss of customers due to frequent electricity outages in 2018. Only 13 percent of working age women are in the labor force, compared to 77 percent of men (WB-2019).
CLIMATE CHANGE & THE ENVIRONMENT	N/A
DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	The implementation of this TA activity is carried out through collaboration between the Ministry of Electricity and the World Bank.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	During the reporting period, multiple iterations of stage 1 analysis (i.e., which is a scenario analysis used to examine options for technically and economically viable reinforcements of Iraq's transmission grid for immediate and long-term imports from the GCCIA interconnection), have been conducted in coordination with the Ministry of Electricity counterpart technical committee. Key findings from the latest iteration include the following: (i) the planned grid peak expected to reach 36.7 GW by 2025 (additional 17 GW of load compared to now), which will require significant reinforcements; (ii) expected new supply by 2025, including 3 GW of solar power, 2.5 GW of imports, and 31 GW of new and refurbished thermal plants were considered; (iii) the Ministry of Electricity's planned transmission additions, comprising 3,100 km of 400kV and 400 km of 132 kV lines for an estimated budget of US\$5 billion; (iv) the need to invest in an additional 800 km of 400kV and 1,000 km of 132kV for an additional cost of US\$2 billion, which leads to an estimated total required transmission investment to support the 2025 plan of up to US\$7 billion and a comparable amount to support the distribution system; and (v) scenarios for Iraq's interconnection with the GCCIA and expected costs, including: (1) Base Case: 500 MW and 1,000 MW from Al-Zour to Al-Faw for Phase 1 and 2, respectively; (2) Scenario 1: 1,000 MW from Al-Zour to Basra; (3) Scenario 2: 1,000 MW from Al-Zour to Nassiriya; and (4) 1,000 MW from Al-Zour to south Baghdad. The second stage analysis aims to develop an overall transmission investment plan for Iraq to enable renewable energy integration and electricity trade by 2030. This includes: (1) identifying required reinforcements to strengthen the integration of the south and central Iraq for greater system reliability and stable operation of renewables; (2) identifying required reinforcements for Iraq's national grid to fully utilize electricity imports from GCCIA, Kingdom of Saudi Arabia and Jordan; (3) preparing initial stability model for planned Iraq system, analyzing stability performance, and identifying any additional transmission needs; and (4) determining the most feasible technology options (High-voltage direct current-HVDC and higher voltage AC lines) for stable and reliable national grid operations with bulk electricity imports and a high share of renewables. The final report has undergone multiple revisions, and will be disseminated to the government in November 2022.
IMPLEMENTATION CHALLENGES	The team faced challenges in gathering the needed information and data for project preparation and implementation.

BENEFICIARIES	The direct beneficiary is the Ministry of Electricity. Indirect beneficiaries (subject to the technical and economic analysis being used to inform government investments in reinforcing the transmission system in the southern region) include the region's population, estimated at over 6 million of the country's total of about 39 million, and who account for over 30 percent of the country's total electricity consumption.
GEOGRAPHIC COVERAGE	Southern region of Iraq, including (but not limited to) Basra, Al Muthana, ThiQar and Missan.

1.3 Human Capital and Employment

Social Protection and Jobs for Poor and Vulnerable Iraqis – BE activity

P CODE	PI71639
GOVERNMENT COUNTERPART	MoLSA and MoP
READINESS & GOVERNMENT ENGAGEMENT	The team worked closely with MoLSA - in particular the Social Protection Commission (SPC) - to improve their beneficiary database and overall IT infrastructure. The team also collaborated with MoP to assess the impact of COVID-19 on poverty and vulnerability, in analyzing data on pensions for the Public Expenditure Review, and engaged with the Ministry on three private sector surveys. The team also collaborated with the Directorate of Labor and Vocational Training within MoLSA to design Iraq's first economic inclusion pilot.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To continue supporting the MoLSA to develop a resilient Social Safety Net (SSN) System, to provide the analytical base to pilot interventions to increase access to employment opportunities for the poor and vulnerable, including youth and women.
BRIEF PROJECT DESCRIPTION	The project provides TA to improve social protection and job opportunities for Iraqis, with a focus on the poor and vulnerable. The social protection aspect of the assistance focuses on enhancing the system and better understanding poverty and vulnerability. The jobs-related assistance focuses on building a better understanding of the private sector in Iraq, its job creation, the skills of its workforce and its future needs through a large data collection effort (financed by I3RF); and establishing the foundation for Iraq's first economic inclusion pilot through knowledge-building, knowledge-sharing and concept development (financed through another Trust Fund outside the I3RF while the pilot will be implemented by I3RF under another project – Promoting and Protecting Human Capital Project / Economic Inclusion Pilot).
TIMEFRAME	November 2019 – December 2022

SECTOR CONTEXT	The poverty rate in Iraq in 2018 stood at 20 percent, with about 2.8 million people impoverished as a direct result of conflict. With the spread of the COVID-19 pandemic and the ensuing economic downturn, the poverty rate is expected to have risen by an additional 14 percentage points. These high levels of poverty and significant vulnerability are a result of meager economic opportunities and weak social protection systems and programs. The country's large spending on social protection is driven by mostly untargeted, and likely regressive, subsidies, which distorts public expenditures and diverts resources away from those that need it the most. The budget left for non-subsidy social safety net programs is spent on the Unconditional Cash Transfer program, which suffers from significant challenges including coverage and effectiveness, as well as other programs that do not encourage proper investments in health and education. At the same time, Iraq has poor labor market outcomes, especially among vulnerable groups such as youth and women. Existing government employment programs do not adequately address the skills and job needs of the population and have limited connection to the private sector – which is already beleaguered by many challenges and remains stunted. Many workers in this environment operate informally and consequently lack the typical support they need to exit the cycle of vulnerability.
COMPONENTS	<ol style="list-style-type: none"> 1) Social Protection Support Program - Phase 3 2) Skills assessment and private sector analysis 3) Economic Inclusion pilot for poor Iraqis is funded by the Partnership for Economic Inclusion TF with an amount of US\$178,800.
FINANCING	I3RF: US\$1.45 million and US\$178,800 from the Partnership for Economic Inclusion TF.
LINKAGES TO OTHER PROJECTS/ INITIATIVES	N/A
LINK TO THE GOI REFORM AGENDA	The project contributes to GoI efforts to implement the white paper and the new government program. With regards to the Social Protection activity, the project is directly linked to Axis 4 -project 51 that identifies priorities for support, integrating beneficiaries' databases, and providing adequate protection to the poor; as well as reforming the public distribution system. With regards to the jobs-related activities, the project is directly linked to Axis 2, and to improving job creation in the private sector's small and medium enterprises, and improving human capital through better training and acquisition. This jobs component will support projects 54 and 55.
TYPE OF SUPPORT	Technical Assistance and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to the economic empowerment of women and girls and improving data on gender. Female-headed households in Iraq are vulnerable to poverty. These women tend to have lower levels of education and have limited income opportunities outside of social assistance. At the same time, female labor force participation is also low in Iraq, and women are more likely to be unemployed than men. Among the women that work in the private sector, the majority tend to be non-wage workers and consequently informal. The TA considers women and girls in all of its components. Improving database management and introducing behavioral interventions will directly affect poor female-headed households (who constitute about 32 percent of the 1.4 million recipients of the cash transfer program). The second component of this ASA gathers important data about informal activities, including the ones that are led by women. This helps bridge the gap of information about both self-employed and waged female workers.
CLIMATE CHANGE & THE ENVIRONMENT	The project takes climate considerations in its implementation. Against climate change-induced threats, and through strengthening social safety nets and the introduction of the economic inclusion pilot; the ASA is modeling the development of an adaptive social protection system that builds the resilience of households and individuals to cope, adapt and adjust to various shocks, particularly to climate change. The ASA outcomes will allow for a dynamic and scalable safety net that can continuously identify those that have fallen into poverty, address their immediate consumption gaps, ensure the protection of their human development gains through human capital-accompanying measures, and help them establish alternative sustainable livelihoods through productive accompanying measures.

DIGITIZATION & E-GOVERNANCE	The project contributes to digitization and E-governance
COVID-19 RESPONSE & IMPACT	Component 1 of this ASA (SPSP3) has contributed to the analysis assessing changes in poverty and vulnerability in Iraq following COVID-19 and the fall of oil prices in 2020 - with an estimated increase of up to 14 percentage points in the share of the poor due to the pandemic and economic downturn. Moreover, the surveys of component 2 have specific questions to help better understand the impact of COVID-19 on business activity and the data will establish a baseline for shortly after the spread of the pandemic. The ASA also contributed to the analysis of rapid phone surveys (done in 2020 through another project) to understand the immediate impact of COVID-19 on businesses and employment, and published a report.
IMPLEMENTATION ARRANGEMENTS	MoLSA and MoP from the Gol, and the SPJ team from the WB.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	SPSP3 completed several important activities: (1) an assessment of MoLSA's Social Protection Commission ICT systems and infrastructure; (2) cleaning and improving of data quality in existing databases; (3) improving databases' cybersecurity, and training and capacity building at the level of the ministry. The capacity building programs included 5 courses on data cleaning and quality, cybersecurity and system development (covered visual studio 2019 community edition, SQL server 2019 express, Microsoft reporting tool, ASP.net, C#, MVC, single page applications, HTML, CSS, JS). The capacity building has also included an on-the-job training (5 courses, two weeks, 15 participants for each), using the proper tools, on servers' installation and configuration. In addition, the program included a system development course to prepare the IT staff to contribute to existing system development. This work is now leading to a new I3RF-funded project, "Iraq Social Safety Net Enhancement Project", which was approved by the Steering Committee on February 28, 2022 and is being prepared. Moreover, a report was completed that focused on the gaps between humanitarian beneficiaries and the government's social protection beneficiaries, with recommendations for promoting gradual inclusion of humanitarian beneficiaries into the government program. The skills and private sector analysis component has completed all three surveys (informal sector enterprise survey, World Bank Enterprise Survey and Micro-Enterprise survey). Initial findings from the Informal sector survey were discussed with the government, with additional discussions pending on the methodology. The findings of the other two surveys will be presented to the government once ready, with additional discussions on the methodology.
IMPLEMENTATION CHALLENGES	The COVID-19 pandemic and security-related issues have delayed the data collection under component 2 significantly. Both the pandemic and changes in government priorities have led to the suspension of some activities such as the Social Protection Forum initially planned, and the verification of the targeting formula for the cash transfer program, among others. However, the ASA has utilized the resources from suspended activities to work on key social protection issues, including an analysis of pensions that was later included in the Public Expenditure Review, and analysis on the impact of the pandemic on poverty and vulnerability in Iraq, and on firms and employment. Challenges continue in terms of the discussion of findings of the surveys and the methodology. The WB team held technical discussions with CSO on the methodology and key data issues of the informal sector surveys. Further discussions will continue in order to alleviate any concerns and ensure the transfer of knowledge to the organization.
BENEFICIARIES	The Gol in general, specific line ministries, namely MoLSA, and the population of Iraq, especially the poor, vulnerable, women and girls, the youth and displaced, who may benefit from the systems building agenda and future reforms and policies that are informed by this technical assistance.
GEOGRAPHIC COVERAGE	National level for all activities, especially those which relate to systems-building and poverty targeting and accuracy. At the sub-national levels: the microenterprise survey covers Baghdad, Basra, Erbil and Sulaymaniyah, and the informal business activity survey covers Baghdad, Basra, Najaf and Sulaymaniyah. The behavioral intervention completed in 2021 was conducted in Basra and Kirkuk on 100 households.

Protecting and Promoting Human Capital in Iraq – An Economic Inclusion Pilot (EIP) – BE/RE activity

P CODE	PI74422
GOVERNMENT COUNTERPART	MoLSA
READINESS & GOVERNMENT ENGAGEMENT	Project preparations are advancing well. Project was appraised in February 2022, and since then, a series of virtual and in-person meetings/missions have taken place to substantiate the pilot's design and implementation arrangements. Technical discussions took place in July 2022, and project negotiations will be concluded as soon as the MoF provides official authorization to sign the minutes and proceed. The team has also engaged with other stakeholders from the MoF and MoP, and all pilot design and implementation aspects have been agreed upon. The Bank has also initiated a number of preparatory activities using Bank-Executed resources.
STATUS	BE: Active/ RE: Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To provide livelihood opportunities to poor households to mitigate the impact of the COVID-19 and economic crises.
BRIEF PROJECT DESCRIPTION	The project supports the GoI to create sustainable livelihood opportunities for poor Iraqis, and therefore promote longer-term income-generating activities and alleviate poverty. The project will offer training, coaching, mentoring and assets to 2,200 households in the South to start self-employment activities. The pilot will be implemented in the rural/semi-rural areas of ThiQar and will target households to be selected from among beneficiaries of the Cash Transfer Program (CTP) which is administered by MoLSA. The pilot will undergo an impact evaluation that will help inform poverty-alleviation and sustainable livelihood agendas in the country and pave the way towards the possible scale-up of the intervention.
TIMEFRAME	BE: July 2022 – December 2023/ RE: TBC
SECTOR CONTEXT	The pandemic, the fall in the oil prices, and the ensuing economic downturn, are expected to further exacerbate poverty in Iraq, with an estimated increase of up to 14.4 percentage points. Many households in Iraq have already lost their main sources of income and are likely to have resorted to coping mechanisms that left them further vulnerable to poverty. Since April 2020, the GoI has taken measures to address the increased levels of poverty and vulnerability. These include launching a program that aims to provide temporary income support to those who have been impacted by lockdown measures; and the "1 million Food Baskets for the Poor" program to alleviate the effects of COVID-19. However, this response, while timely at the beginning of the pandemic, does not address the more dire needs of the country's poor and vulnerable in the short nor medium-term. In addition to increased poverty and vulnerability, Iraq suffers from persistently poor labor market and livelihoods outcomes, notably increased unemployment (estimated by the ILO in 2020 at 13.7 percent, from 8 percent in 2010), particularly among women. A high share of youth are idle; female labor force participation is low (estimated at 11.6 percent); and there is high informality (over 90 percent of private sector workers in Iraq).
COMPONENTS	Component 1. Implementation of the EIP Component 2. Project management and monitoring Component 3: Technical Assistance and Evaluation
FINANCING	I3RF: US\$5 million (US\$4.4 million RE; US\$0.6 million BE). The pilot was supported by the remainder of a small grant from the Partnership for Economic Inclusion of about US\$50,000 to conduct the market assessment and service mapping in ThiQar.

LINKAGES TO OTHER PROJECTS/ INITIATIVES	The EIP is linked to the larger WB economic inclusion agenda and work on sustainable livelihoods.
LINK TO THE GOI REFORM AGENDA	(i) Axis 4 "Providing key services, and rationalizing and directing social welfare, giving priority to the poor, and offering them protection during and after the reform process; (ii) Axis 2, on promoting agriculture and human development.
TYPE OF SUPPORT	Technical Assistance, Analytics and Pilot Operations.
GENDER EQUALITY & WOMEN EMPOWERMENT	This project contributes to the economic empowerment of women and girls. Unemployment among women as well as low female labor force participation are key challenges in Iraq. The EIP will directly target at least 45 percent of its beneficiaries to be females, be they heads of households or members of a household. Moreover, the pilot will cater to these beneficiaries through tailored training, coaching and mentoring, and consider childcare services and social norms in its design.
CLIMATE CHANGE & THE ENVIRONMENT	The project takes climate considerations in its implementation. The pilot specifically targets beneficiaries of the CTP and will support sustainable livelihood activities, especially agricultural and farming in order to build household resilience to shocks, while also utilizing best practices in terms of these activities and ultimately supporting Iraq's resilience to climate change.
DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	This project seeks to mitigate the impact of the pandemic in terms of loss of livelihoods and deterioration of labor market outcomes, and support recovery. The challenge of job creation and sustainable livelihoods is ever more pressing as Iraq's poverty and vulnerability have increased since the pandemic. By tackling the livelihoods of the poor, the pilot directly responds to these urgent challenges in a practical way that touches people's lives. The pilot will also allow the Ministry to kick-start a broader and more effective set of interventions that could transform into wider programs and policies.
IMPLEMENTATION ARRANGEMENTS	The EIP is managed by the MoLSA, through a PMU within the General Directorate of Labor and Vocational Training. From the Bank's side, the project will be led by the SPJ GP.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The team has worked closely with counterparts on preparations for the pilot's launch. As of October 2022, the pilot's lifecycle and all aspects of implementation have been agreed upon in detail for each of the following stages: (i) outreach and application; (ii) assessment, selection of beneficiaries and enrollment; (iii) notification and onboarding; (iv) provision of training; (v) selection of livelihoods and purchase of assets; (vi) coaching, mentoring and further skills development. On the other hand, using Bank Executed resources, the task team has launched a number of preparatory activities, which include (i) market assessment and service mapping in ThiQar, based on which a list of economic activities has been identified and is currently being further validated through additional field work; (ii) review of training curricula at MoLSA which are relevant to training that will be offered through the pilot; (iii) assessment of possible beneficiaries' profiles; (iv) design of the pilot's Management Information System; (v) preparation of outreach plan and material; and (vi) design of the pilot's impact evaluation. These activities are being carried out in close consultation/collaboration with the PMU, and are progressing well.
IMPLEMENTATION CHALLENGES	Securing the MoF's authorization to conclude the project's negotiations and move ahead with internal approval and signing, as well as legal challenges.

BENEFICIARIES	Beneficiaries of the ongoing CTP managed by the government are targeted. Three nahyas were selected in consultation with the ministry, taking into account poverty levels, availability of ministry centers, and accessibility for both beneficiaries and ministry staff. In those nahyas, there are more than 8,000 beneficiaries from the CTP. The pilot will focus on beneficiaries that are heads of households, aged 18-45, who are capable and willing to work. In the case of oversubscription into the pilot, the selection of the final list of beneficiaries will be based on the proxy-means test score of the household, which is available at MoP. The list of eligible applicants would go to the MoP to be ranked based on their PMT score: from the highest (the least poor) to the lowest (the poorest). The pilot would then select the 2,200 eligible applicants that are the least poor, i.e., highest PMT score. The rationale is that the pilot would be most successful in reducing the vulnerability of those closest to the poverty line.
GEOGRAPHIC COVERAGE	The southern governorate of ThiQar, and in particular, three Nahyas (subdistricts) in the Qada'a (district) of Chibayish.

Iraq Social Safety Net Enhancement Project – BE/RE activity

P CODE	PI78824
GOVERNMENT COUNTERPART	MoLSA
READINESS & GOVERNMENT ENGAGEMENT	The WB team is engaging with the MoLSA technical team on a daily basis to finalize the design and fiduciary requirements and has worked closely with the project management team for the project appraisal.
STATUS	Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To improve the effectiveness and efficiency of the MoLSA programs through (i) modernizing and strengthening the CTP's delivery systems; and (ii) establishing a MoLSA social registry that would be integrated into the National Single Registry.
BRIEF PROJECT DESCRIPTION	The project will introduce significant upgrades to SPC to improve its adaptive capacity to respond to shocks. These upgrades will allow for the swift inclusion of households that have fallen into poverty not only in one program but rather across other pro-poor programs under the umbrella of the MoLSA. The upgrades will be introduced at central and local levels. At the central level, the project will upgrade both the capacity of MoLSA through ICT investments that (i) bring in improved quality and efficiency gains; and (ii) integrate the demand side of the SPC into a Social Registry as a gateway for all services and benefits under the umbrella of MoLSA. At the local level, the project will target the SPC Branch Offices in Baghdad and governorates. The project will provide selected Branch Units (BUs) at the Nahya level with ICT infrastructure, digital equipment, and technical training.
TIMEFRAME	December 2023

SECTOR CONTEXT	Iraq has introduced extensive SPS reforms in recent years, but these have not been transformative nor sufficient to strengthen its capacity. At the policy level, in 2014, a new Social Protection Law provided the legal framework and institutional arrangements necessary to support these reforms. Chief among these was the establishment of the SPC with the mandate to implement the new Law and carry out the reforms. These reforms were further prioritized in the Gol White paper, which called for the establishment of delivery systems. Notably a MoLSA Social Registry that would improve the dynamic inclusion of the poor and vulnerable in a bundle of services and benefits to help them move out of poverty and improve their resilience to shocks. The White Paper mentions the Social Registry as a priority area to address as follows: "Standardize the databases of the beneficiary groups, define key priorities for support, and identify the main gaps in the support systems currently adopted to ensure their effectiveness." In addition to the Social Registry, the White Paper calls for reform of the PDS, as it entails significant costs and inefficiencies associated with its universality, thereby diverting resources away from the poor. Finally, the Paper proposes improvements to CTP, particularly its coverage and outreach to the poor.
COMPONENTS	Component 1: Strengthening the building blocks of MoLSA's programs with a focus on the CTP system and the development of MoLSA's social registry Component 2: Project Management and Monitoring
FINANCING	US\$5 million (US\$4.2 million as RE and US\$0.8 million as BE)
LINKAGES TO OTHER PROJECTS/ INITIATIVES	Linked to the SP EU-funded program which is implemented by UN agencies. Relevant agencies to this project are WFP and UNICEF. The team is coordinating closely with the two agencies. The coordination is led by MoLSA.
LINK TO THE GOI REFORM AGENDA	Most of the government' SSN programs suffer from high levels of inefficiency and ineffectiveness in the absence of strong and reliable systems. Of importance is a social registry that would allow the Government to assess the demand for social services and serve as a gateway for inclusion of the poor and the vulnerable. The social registry will be coupled with strengthening the systems that are used to deliver the support such as payment, beneficiary monitoring and interface, behavior change communications, grievance redress mechanisms, case management mechanisms etc. This is included in the white paper under Axis 4.2.1 and 4.2.3 - "Standardize the databases of the beneficiary groups, define the key priorities for support, and identify the main gaps in the support systems to ensure their effectiveness." The project is also relevant to the support provided by the WFP to the PDS reform as well as to the establishment of the National Single Registry. It is believed that the Social Registry of MoLSA is required prior to linking MoLSA to the Single Registry.
TYPE OF SUPPORT	Technical Assistance and Investment through the improvement of Management information system and ICT infrastructure including the development of systems.
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to improving data on gender. The percentage of female headed households in the SSN systems including the Cash Transfer Program is very low at 35 percent. Also, there is no link between SSN program that may support the economic empowerment/inclusion of poor and vulnerable women. The activity is focusing on strengthening systems and improving coverage of the poverty-targeted CTP. The project is expected to increase the inclusion of vulnerable women, particularly female heads of households, into the program. In addition, women will be directly targeted by the case management system that will be developed so that their needs, beyond subsistence, are addressed.
CLIMATE CHANGE & THE ENVIRONMENT	The project contributes to climate adaptation and mitigation. The project will support the establishment of the Social Registry for MoLSA which will be enhanced with tools that makes it responsive to climate-related shocks.
DIGITIZATION & E-GOVERNANCE	The project contributes to digitization and E-governance.

COVID-19 RESPONSE & IMPACT	The project contributes to the COVID-19 response. The COVID-19 pandemic exposed the weak adaptive capacity of the SPS in responding to shocks and building household resilience. This highlights the urgency to expedite the implementation of necessary updates to the system at central and local levels to enhance access, coverage, and ultimately, impact on poverty reduction and households' resilience to shocks.
IMPLEMENTATION ARRANGEMENTS	The project is managed by MoLSA from the Gol and the SPJ team at the WB.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The project, still in pipeline, will contribute to the Iraq social protection reform by modernizing and strengthening the CTP managed by MoLSA and establishing a MoLSA social registry linked to social programs in MoLSA to facilitate integration into the National Single Registry.
IMPLEMENTATION CHALLENGES	Institutional capacity for implementation, macroeconomic stability, political and governance-related risks, and ongoing healthcare crises and their economic and social impacts pose severe threats to the achievement of the project development objective.
BENEFICIARIES	The direct beneficiaries are MoLSA and SPC. The project also supports women, girls, youth, disabled and the poor segments of the population.
GEOGRAPHIC COVERAGE	National

Support to Education and Skills Development in Iraq – BE activity

P CODE	PI71165
GOVERNMENT COUNTERPART	MoE
READINESS & GOVERNMENT ENGAGEMENT	Close working relationships with various MoE departments (Financial Affairs; Curriculum Directorate; Teacher Training and Development Institute; Assessment and Examination Directorate); MoP and MoHESR.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To strengthen the Gol's capacity to provide quality education services for improved Human Capital development.

BRIEF PROJECT DESCRIPTION	The Iraq education sector is facing a multitude of challenges across key dimensions (equity, quality, access, input, capacity), exacerbated by multiple crises. The lack of diagnostics, strategies, and proven pilots prevent the GoI from undertaking evidence-based planning for many competing demands to improve human capital development. This project aims to strengthen capacity for delivery of quality education services through three pillars: (i) Improved education sector inputs and diagnostics; (ii) Strengthened education strategies and policies; and (iii) Higher education sector pilots to promote labor market relevant skills development. The activities finance knowledge exchange, capacity building, analytical work and small pilots - filling important knowledge and capacity gaps to re-align the education system for improved Human Capital development. In addition, the activities create the evidence and institutional capacity for future education and human capital development.
TIMEFRAME	November 2019 – December 2022
SECTOR CONTEXT	Years of conflict in Iraq have harmed the education sector. Iraq has one of the lowest Human Capital indicators in the region, further compounded by the recent pandemic. COVID-19 has led to school closures from March to November 2020, with an estimated loss of 0.6 in learning-adjusted years of schooling from an already low baseline of four years. The low levels of human capital development, coupled with limited opportunities to gain job-relevant skills, have translated into worsening economic and social outcomes. The limited data points to very low learning and skills levels conveyed by the education system across all levels – even before the crisis. The education sector in Iraq faces a multitude of challenges, including equity, access, quality, governance, and assessments and financing across all levels of education. The lack of diagnostics, strategies, and proven pilots prevent the GoI from undertaking evidence-based planning to cater to many competing demands, and to improve human capital development.
COMPONENTS	Component 1: Improved Education Sector Inputs and Diagnostics Component 2: Strengthening Education Sector Strategies and Policies Component 3: Skills Pilot
FINANCING	I3RF: US\$1.5 million. In addition, US\$300,000 BE financed by the Global facility for Disaster Reduction (GFDRR) and Japan-World Bank Program for Mainstreaming Disaster Risk Management in Developing Countries.
LINKAGES TO OTHER PROJECTS/ INITIATIVES	Leverages EODP and complements on-going engagements of other donors with MoE (UNICEF, United Nations Educational, Scientific and Cultural Organization (UNESCO)) and MoHESR.
LINK TO THE GOI REFORM AGENDA	The Iraq White Paper lays out the improvement of Human Development Outcomes through education under pillars 2 and 4. The project supports the following priority areas of the GoI White Paper and Reform Agenda: Area 1: Skills for improved learning and employability; Area 2: Improved efficiency and equity in education governance and spending; Area 3: School Infrastructure and Human Resource Planning; Area 4: Strategy for Education and Training.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics.

GENDER EQUALITY & WOMEN EMPOWERMENT	Contributes to the economic empowerment of women and girls, improving data on gender and improving laws and policies affecting women through: (i) Capacity building which includes female ministerial staff; (ii) Strategies and policies under the ASA which will benefit all Iraqi children; (iii) Public Expenditure Review (PER) and national education strategy to include gender disaggregated analysis and targets. Gender gap becomes prevalent at higher levels of education. The data collected by the SDI survey, for example, will be disaggregated by gender to highlight differences, if any. In addition, implementing gender-nuanced learning interventions based on the findings of the SDI, PER and National Education Strategy is expected to benefit girls and women. Collecting data on learning outcomes under the SDI, for girls and boys, will produce relevant information (particularly including gender in the data collection and analysis) that will enable the GoI to analyse these outcomes against measures of equity (including issues of gender) and to make strategic, cost-effective decisions to support the most marginalized and vulnerable groups, among whom are girls.
CLIMATE CHANGE & THE ENVIRONMENT	N/A
DIGITIZATION & E-GOVERNANCE	The project contributes to digitization and E-governance.
COVID-19 RESPONSE & IMPACT	All activities have been adjusted to respond to the COVID-19 pandemic and incorporate insights and/or provisions to mitigate its effects (i) The Iraq National Education Strategy will include a focus on COVID-19 and building back better; (ii) The PER analyzes impacts of school closure due to COVID-19 on learning; (iii) The SDI has been expanded to include a parent module to gauge how well distance learning at home has worked and the effects of school closures on caregivers; and (iv) A number of the shortlisted proposals under the skills pilot address issues that respond to COVID-19, such as remote learning (online services), health-related initiatives, and online services. In addition (v) the Iraq Reform Note proposes an immediate crisis response to mitigate the effects of COVID-19 on learning.
IMPLEMENTATION ARRANGEMENTS	This project is managed by the Education GP, in collaboration with other GPs, including SPJ, Health, MTI, Gender, FCI, and the Development Economics Unit.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	Despite the challenges of the sector in Iraq and the unstable political and security contexts, the project continues to deliver against the agreed results. In 2022, the construction policy and teacher allocation policy were both completed and translated into Arabic, and await final official adaptation by the GoI. The Iraq National Education Strategy draft has been finalized and approved by the World Bank. Close coordination continues with government of Iraq for final adaptation, endorsement and dissemination. The aim is for the strategy to be launched during the end of 2022. The SDI survey has been conducted, the data collection process is complete, the data analysis is on-going. The report is expected to be finalized in early 2023. The findings will support policy makers and the MoE to better understand and improve on school factors - including infrastructure, inputs, teachers and principals - and how they contribute to learning (resources, teacher, home, knowledge, background, etc.). During 2021, two additional deliverables were added to the TA to strengthen the sector reform process. Firstly, the Iraq Education Reform Plan was completed and published in 2021, as was the Assessment Strategy Framework. The work on the National Assessment Strategy Framework continued during 2022. A series of capacity building workshops on different type of assessments have been conducted by the relevant Iraqi officials. The first draft of the Assessment strategy was completed and commented on and the final draft is currently being developed. On tertiary education component, the objectives have been fully met. Proposals have been selected to be financed under the new Higher Education project under I3RF.
IMPLEMENTATION CHALLENGES	School closures or remote learning in the school year 2020/2021 necessitated postponement of SDI survey data collection until the school year 2021/2022, which was successfully completed.
BENEFICIARIES	Students, youth, women, and marginalized groups. MoE, MoHESR and MoLSA will benefit from increased capacity to undertake evidence-based reform.
GEOGRAPHIC COVERAGE	National

Innovations towards Learning in Lagging Iraqi Governorates – RE activity ¹⁴

P CODE	PI75721
GOVERNMENT COUNTERPART	PMT from the MoE which is already the PMT for the EODP-Additional Financing (AF) Education Component, in close coordination with the relevant technical departments within the MoE and MoP.
ENGAGEMENT	The activities respond to current government priorities. The WB was asked to build on the current engagement to scale up support to the education sector in Iraq both to address immediate needs stemming from the current COVID-19 crisis and pursue medium- and long-term development objectives of the sector.
STATUS	Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To enhance teaching practices of Arabic and Mathematics teachers and improve literacy and numeracy skills among the most vulnerable primary students in lagging Iraqi governorates.
BRIEF PROJECT DESCRIPTION	This project supports the most vulnerable students to acquire early literacy and numeracy skills through support to 1) schools to create better resourced learning environments and provide catch-up classes, 2) comprehensive teacher training and development, and 3) caregivers to support student learning at home, to holistically promote students' learning. The project will support innovative education service delivery in three vulnerable governorates. This project will provide a demonstration and allow for later scale up while leveraging ongoing project activities, available resources and implementation capacity, building on proven interventions and already established materials and partnership channels. This is a unique opportunity to leverage various Education interventions to provide a comprehensive approach to a learning pilot that is urgently needed to mitigate further learning loss. The combined effects of the proposed interventions will be much larger than the additional investment proposed under the grant.
TIMEFRAME	October 2023
SECTOR CONTEXT	Human capital development is imperative to achieve sustainable economic growth and overcome fragility in Iraq. Over the past decades, countries around the world have invested in human capital as a driver for economic growth. Investments in human capital are urgently needed in Iraq to spur economic prosperity. At the heart of Iraq's human capital crisis is a learning crisis – which is exacerbated by the effects of COVID-19 on education service delivery. A child born in Iraq today will reach, on average, only 41 percent of her potential productivity when she grows up, as measured by the World Bank's Human Capital Index (HCI) (World Bank 2020). Iraq has one of the lowest human capital indicators in the region and the lowest among Mashreq countries. Iraq's poor performance on the HCI is largely attributed to the education outcomes calculated for the index. Years of conflict and structural inefficiencies have resulted in an education system that is not adequately conveying foundational skills—the basis for learning and skills development. Student dropout in primary school has increased in recent years, with only half of the poorest students completing primary school. Recent school closures, coupled with limited and unequal remote learning opportunities, will have a devastating impact on children's learning and risk further student dropout—especially among the most marginalized students.

¹⁴ This project was declared effective after the cut off date for the data of this report.

COMPONENTS	<p>Component 1: Strengthen teaching practices of Arabic and Mathematics primary teachers in early literacy and numeracy</p> <p>Component 2: Support parents and schools with tailored learning tools to serve students while they learn at home or at school</p> <p>Component 3: Capacity building for school leaders, Departments of Education (DoE) and MoE and Monitoring and Evaluation</p>
FINANCING	I3RF: US\$10 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The activities will build on and leverage 1) the teacher training developed and implemented under EODP-AF, 2) the School-Based Management program pilot supported by UNICEF, 3) communication tools between schools and parents, such as from Save the Children, and 4) early literacy and numeracy materials being developed under the MENA Regional Education COVID-19 Response Project (P175697). In addition, activities under the grant will benefit from analytical pieces and education sector insights derived from ASA deliverables such as the SDI, PER; and underlying data collection and ongoing policy dialogue.
LINK TO THE GOI REFORM AGENDA	The Iraq White Paper lays out the improvement of Human Development Outcomes, specifically through education, as a priority under pillar 2 and for supportive education infrastructure under pillar 4.
TYPE OF SUPPORT	Investment Project Financing
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to economic empowerment of women and girls and improving data on gender. Gender gaps becomes prevalent at higher levels of education. Promoting early literacy and numeracy skills has a proven, positive impact on children's educational trajectory. In a country like Iraq in which dropout among girls in higher grades is more pronounced, it is imperative to support quality education for both girls and boys early on. Female beneficiaries are primary school students, primary school teachers, female school management, female parents and caregivers, and female MoE and DoE officials who will benefit from capacity building. In addition, the project will generate gender-disaggregated data.
CLIMATE CHANGE & THE ENVIRONMENT	N/A
DIGITIZATION & E-GOVERNANCE	The project contributes to digitization and E-governance
COVID-19 RESPONSE & IMPACT	The proposed activities will use innovative service delivery approaches, for example, using a blended approach for online and offline content delivery – to better address the short-term and urgent needs of the Iraqi education system arising from the current health crisis (and related school closures). These innovative approaches will function as best-practice pilots, to inform scale up and future recovery lending operations. In addition, this project directly responds to government priorities laid out in the Gol White Paper, the program of the new Iraqi government and key priorities emerging from the recent COVID-19 crisis and related school closures. The proposal focuses on a community approach to learning, especially at home with additional support, as this has become an increasingly important medium for learning given school closures. Importantly, the project will focus on school grants to prevent school-dropout of the most marginalized students – which are at the greatest risk of dropping out. The focus on foundational skills, such as literacy, has proven to be one of the most relevant skills, given the necessity of distance and remote learning due to COVID-19.

IMPLEMENTATION ARRANGEMENTS	The grant will be managed by the MoE PMT from the EODP-AF Education Component, in coordination with technical departments within MoE and MoP.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The project will be declared effective before the end of 2022. The project preparations are going well, with the POM completed, which is a dated covenant, and steps initiated to create the Designated Account. The project procurement strategy has been prepared by the MoE. Two follow-up implementation support missions were conducted from October 10-19 as well as November 13-17 with representatives from the MoE, MoP and MoF.
IMPLEMENTATION CHALLENGES	The project cannot proceed to disburse due to current legal challenges in place at the GoI. This applies to all new RE grants, including on Higher Education.
BENEFICIARIES	Students, Teachers, Parents, Schools in three of the most vulnerable governorates (Al Qudsiya, Al Muthana, Missan), and MoE and DoE local officials. The project also supports vulnerable populations such as women, girls, displaced and the poor.
GEOGRAPHIC COVERAGE	The project will be implemented in three of the most vulnerable governorates: Al Qudsiya, Al Muthana, and Missan.

Support to Tertiary Education Sector in Iraq- BE/RE activity

P CODE	PI75694
GOVERNMENT COUNTERPART	MoHESR
READINESS & GOVERNMENT ENGAGEMENT	The collaboration with MoHESR has been strong since the start. The teams have worked together on the project approval package, project launch, training workshop with university teams, producing Implementation Plan and Procurement Plan, meeting the legal covenants, project signing and effectiveness, and conducting joint missions. The collaboration extends to TA activities as well.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To develop institutional capacity in disciplinary areas of tertiary education that support national development priorities.
BRIEF PROJECT DESCRIPTION	To support GoI's efforts to address employability of university graduates. The project will finance and support the following activities: (1) supporting the development of projects for establishing centers of excellence in two national development priority areas – agriculture and renewable energy; (2) developing and increasing training capacity and outputs in solar energy; (3) strengthening partnerships between tertiary education institutions and the private sector and international institutions for improving graduates' employability through a competitive fund program pilot; (4) developing and piloting a graduate monitoring mechanism and carrying out two studies on quality assurance and financing; and (5) project coordination and monitoring.
TIMEFRAME	September 2021 – October 2023

SECTOR CONTEXT	Tertiary education in Iraq has experienced a rapid expansion (an increase of 26 percent and 42 percent for number of universities and number of student admissions, respectively) in recent years but its access (only 19 percent gross enrollment rate) remains low in comparison with other countries in the MENA region. The increased demand for tertiary education has put tremendous pressure on the public tertiary education system in terms of resources. With a 25 percent increase in enrollment in public universities, spending on tertiary education has declined, which may negatively impact system outcomes. Unemployment and inactivity of tertiary graduates in the labor market is a major concern for both the government and tertiary education institutions in Iraq. While data on university graduates' unemployment is unavailable, anecdotes suggest that the rate is comparable (or even higher) to that for youth unemployment which is over 25 percent. Unemployability reflects a mismatch between supply and demand for skills in the labor market. Emerging economic sectors such as solar energy present new job opportunities for appropriately skilled workers but the tertiary education sector is not prepared to meet such demand. The tertiary education sector in Iraq is unable to keep pace with global trends and respond to national/local socioeconomic development needs. The COVID-19 pandemic has exacerbated the situation.
COMPONENTS	Component 1: Developing institutional capacity in disciplinary areas that support national development priority sectors Component 2: Strengthening partnerships with the private sector and international institutions for improving graduates' employability Component 3: Project coordination and monitoring
FINANCING	I3RF: US\$6 million (US\$5 million RETF; US\$1 million BETF)
LINKAGES TO OTHER PROJECTS/ INITIATIVES	N/A
LINK TO THE GOI REFORM AGENDA	The proposed project supports the Priority Area 2.6 Human Development and Strategies of Iraq White Paper, particularly in the area of "linking educational outcomes with future needs of the labor market". It also supports two national development priority areas outlined in the White Paper – Agriculture and Renewable Energy, and builds university capacity in training, applied research and knowledge transfer in these two areas.
TYPE OF SUPPORT	Technical Assistance, Advisory Support, Analytics and Financial Support (Seed Funding).
GENDER EQUALITY & WOMEN EMPOWERMENT	Contributes to the economic empowerment of women and girls, improving data on gender and could potentially contribute to improving laws and policies affecting women through the technical assistance. Data on gender issues are scarce but the Human Development PER shows that gender disparities in access to education are relatively small in comparison with the effect of disparities in household income and location. One may infer from the high unemployment rate of tertiary education graduates that female graduates may fare worse due to limited opportunities and social norms. The proposed project is meant to improve institutional capacity to help address graduate unemployment and will provide equal access and opportunities to males and females. In measuring its beneficiaries, the data will be disaggregated by gender.
CLIMATE CHANGE & THE ENVIRONMENT	The proposed project will contribute to climate mitigation and adaptation through graduates with the knowledge and skills to help their employers and communities to tackle climate related issues. In particular, the project will finance training and incubation in solar energy as an alternative energy to help address power shortages of households (installation, maintenance, system management, etc), therefore contributing to NDCs for Iraq.
DIGITIZATION & E-GOVERNANCE	Contributes to digitization and E-governance

COVID-19 RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	MoHESR as the government agency responsible for tertiary education in Iraq will be the implementing agency for the proposed project. It has the oversight role of the Project's preparation and implementation. MoHESR will provide technical guidance to the project implementation through its appropriate technical departments and will establish a Project Implementation Unit (PIU) to coordinate and manage daily activities. The project implementation and management will take a hybrid approach to ensure quality control and flexibility. Components 1 and 3 will be implemented by MoHESR. Component 2 will be implemented by the selected Competitive Fund Program proposal teams and their respective host universities. Each of these universities will form a small PMT to manage daily implementation activities of their approved proposals and Implementation Plans. An agreement will be established between MoHESR and each host university for accountability. The PIU will play a liaison role with all.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The Project became effective on June 5, 2022. The Project was officially launched by MoHESR in Baghdad on May 15, 2022 with participation of representatives from government agencies (MoP, MoF, etc.), implementing universities, development partners, and civil society. A launch workshop for implementation capacity building was held jointly by MoHESR and the WB in Erbil on May 16-20, 2022 (for over 50 participants from MoHESR and implementing universities), at which all implementing teams produced an Implementation Plan, Procurement Plan, Budget Plan and Action Plan. Subsequently, the PIU was established at MoHESR, and the POM and procurement plan were finalized and submitted. A follow-up support mission took place between June 26-30, 2022 and subsequently all three legal covenants were met by July 6, 2022. The Project was ready for implementation, however due to legal challenges, implementation has been on hold. Regarding the TA, a close collaboration between MoHESR and the WB has continued. The survey questionnaire for the quality assurance and financing (capital investment) studies was drafted and is being finalized by MoHESR for its launch. The Graduate Tracer System is entering its design stage. In addition, since July 2022, the World Bank team has introduced and facilitated discussions between MoHESR, University of Baghdad and potential partners who can provide TA to the implementation of some activities under by the Project (e.g., in the solar energy training area). The WB team also connected international experts to the teams to review their draft programs/proposals to get ready for implementation (e.g., the Center of Excellence in Agriculture and Veterinary Sciences).
IMPLEMENTATION CHALLENGES	Legal challenges have put the project implementation on hold since July 2022, risking the completing the implementation of the project within the set timeframe, in addition to impacting the momentum of implementation teams.
BENEFICIARIES	The main beneficiaries from this grant will include: (i) students, graduates and faculty members (including females) for their upgraded knowledge and skills to meet academic standards and labor market needs; (ii) MoHESR and involved tertiary education institutions for their improved programs and capacities; and (iii) the tertiary education sector for its established new mechanisms for system improvements such as the competitive fund program, partnerships with the private sector, and graduate monitoring; and (iv) students, graduates, alumni and workers who received training and find jobs or start their own businesses to create employment opportunities in the solar energy industry. The project directly targets women, girls and the youth.
GEOGRAPHIC COVERAGE	National. The project covers 10 universities in 7 governorates (Ninawa, Anbar, Baghdad, Babel, Karbala, Najaf, Basra) in addition to MoHESR. The TA covers the whole higher education system in the country.

Iraq Road Maintenance Microenterprises Grant Project – RE activity

P CODE	P171446
GOVERNMENT COUNTERPART	MoCHMPW
READINESS & GOVERNMENT ENGAGEMENT	Government counterparts are involved in project preparation, including technical elements, safeguards instruments and the POM
STATUS	Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To provide entrepreneurship and employment opportunities to rural inhabitants in lagging areas of Iraq and improve their level of road access to markets and critical social services
BRIEF PROJECT DESCRIPTION	The project will provide financing for 50 labor-intensive rural road maintenance sub-projects to be implemented by microenterprises. The sub-projects will consist predominantly of routine and small-scale preventive maintenance works of roads and road-related infrastructure. Capacity building activities on entrepreneurial, managerial, and technical aspects for implementing agencies and individuals in the project area will provide a base for project implementation and sustainability. The project will also finance the recruitment of experienced consultants in project management, safeguards, M&E, financial management, and procurement to support implementing agencies to establish new concepts for maintenance.
TIMEFRAME	September 2023
SECTOR CONTEXT	Iraq has a significant backlog of road improvement programs and maintenance of assets. The budgetary funds allotted for maintenance are not sufficient, but there may be also the risk of budget underutilization because the contractors are not geared to take up maintenance works. In such a situation, plans for road development and maintenance for the coming years can be seriously affected if the contractors are not able to rise to the occasion and take up the challenges. This is specifically the case for rural roads, i.e. roads in remote and usually poor areas that are not prioritized by authorities, and are unattractive to contractors due to their location and the small contracts involved. The poor condition of the transport infrastructure and lack of transport services has significantly affected the mobility of Iraqis, particularly the poor, and especially in rural areas. Most of Iraq's population is inadequately served by unpaved roads, with the worst conditions experienced disproportionately by certain income groups. Investments in Iraq's rural roads, particularly routine maintenance, have significant potential to use local resources, create decent jobs, support the local economy, and strengthen local commerce, and thus have important implications for poverty reduction and local economic and social development.
COMPONENTS	Component 1: Rural roads maintenance subprojects Component 2: Capacity building Component 3: Project management and administration, monitoring and evaluation, and knowledge dissemination
FINANCING	I3RF: US\$5 million

LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>The project is related to the ongoing WBG-funded TCP and EODP as all three aim to improve the condition of the existing road infrastructure through reconstruction, rehabilitation, and preventive maintenance, increase access to markets and decrease transport costs (although for different levels of the road network). The microenterprises approach is particularly aligned with the Iraq RDF developed with WBG support. RDF emphasizes the mobilization of resources and maintenance of restored facilities through community-based contracting as priority actions in the recovery action plan for the transport sector. The introduction of rural roads maintenance microenterprises is thus one approach that can significantly contribute to IRDF's cause. The project is also aligned with the Gol future vision under the Iraq Vision 2030 which defines the elements and the strategic reforms to establish a new social contract for peace and prosperity. The vision focuses on: (i) a new governance framework for better service delivery, (ii) rebuilding human capital, (iii) job creation, and (iv) macroeconomic framework for inclusive and sustainable growth. The project will contribute to all four elements of the Vision 2030.</p>
LINK TO THE GOI REFORM AGENDA	<p>The project is directly supporting development and strengthening of Iraq's private sector which has been emphasized by the White Paper, in particular through: (i) creating employment through microenterprises, (ii) creating jobs for low-income workers, (iii) supporting small-sized projects throughout Iraq.</p>
TYPE OF SUPPORT	<p>Technical Assistance, Advisory Support and Civil Works</p>
GENDER EQUALITY & WOMEN EMPOWERMENT	<p>This project contributes to the economic empowerment of women and girls and to improving data on gender. At 43 percent, Iraq has one of the lowest labor force participation rates in the world and in the region; women's participation is 12 percent. Although there are no data to corroborate this, this figure may be lower than for the transport sector. According to a UN Women sponsored study (November 2019), access to safe and affordable transport is another important factor enabling women's employment outside of the home, as women are unable to work in jobs they cannot get to. Maintenance activities are planned to be carried out by local community workers and create job opportunities. The direct beneficiaries of the project will be inhabitants in the Project Area who benefit from livelihood improvement opportunities in the form of rural roads maintenance sub-projects (around 1,200 individuals both directly employed and indirectly provided with earning opportunity, including 20 percent of women, spread across 50 subprojects). Additionally, it will offer specialized training for women based on analysis on the ground that may relate to self-confidence and financial management as well as technical training in areas that may not be female dominated. The design and implementation plan will pay particular attention to physical challenges that women may face, such as transport.</p>
CLIMATE CHANGE & THE ENVIRONMENT	<p>The project aims to preserve roads through preventive maintenance against climate induced deterioration. In particular: (i) preventing damage from heavy rain and floods by providing and maintaining drainage (ditches, gutters, culverts), (ii) maintaining slopes and drainage systems to prevent landslides, (iii) maintaining road surfaces to prevent damage from water and heat. It also has some contribution to decarbonization by minimizing the use of fossil fuel run construction machines and depends on labor intensive approaches using hand tools.</p>
DIGITIZATION & E-GOVERNANCE	<p>N/A</p>
COVID-19 RESPONSE & IMPACT	<p>The project is aligned with the WBG's COVID-19 Crisis Response Approach Paper: Pillar 2 - Protecting Poor and Vulnerable People by providing opportunity for income. Technical inspection of works will be carried out so that maintenance works are executed in accordance with internationally recognized best practices, including in terms of impact of COVID-19 and risks associated with civil works. A simplified guide for environmental and social management has been prepared for the project in which particular attention is given to community health and safety risks due to exposure to communicable diseases, including COVID-19.</p>

IMPLEMENTATION ARRANGEMENTS	MoCHMPW in Baghdad will implement the project, use existing institutional coordination mechanisms with the various counterparts involved in the project and will consult external stakeholders including other ministries (such as the MoF, MoP, and MoEnv on specific issues) and representatives of civil society. The Roads and Bridges Directorate in Baghdad and General Directorate for Roads and Bridges in Kurdistan will carry out the projects with oversight from MoCHMPW. The two agencies, through their respective PMTs, will be responsible for day-to-day implementation of the activities of project directly relevant to them. The Transport GP of the WB is responsible to supervise the project.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	Project not yet effective.
IMPLEMENTATION CHALLENGES	Project implementation has not yet started pending the fulfillment of conditions of Grant Effectiveness, and subsequent declaration of effectiveness.
BENEFICIARIES	Inhabitants in the project area who benefit from employment opportunities created, resulting in the equivalent of approximately 270,000 workdays; and communities that will benefit from the maintained access to the targeted roads. The project will also support women, girls, youth, displaced, poor and other vulnerable populations such as people with disabilities through provision of better access.
GEOGRAPHIC COVERAGE	It is a national program covering eight governorates identified for piloting labor intensive road maintenance (Al Quadsya, Al Najaf, Karbala, Diyala, Salah El Din, Nineveh, Al Muthana and Duhok), and if successful has a great potential to be rolled out nationally in all governorates.

Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring – RE activity

P CODE	P177038
GOVERNMENT COUNTERPART	MoH
READINESS & GOVERNMENT ENGAGEMENT	The parent project aims to scale up Iraq's health sector response to the COVID-19 pandemic by supporting the rollout of COVID-19 vaccinations to priority population groups and strengthen the institutional systems needed to enable the safe and effective distribution and use of COVID-19 vaccines at scale. The I3RF has provided a grant of US\$2 million to contract a TPMA, as part of the project proceeds.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To support the GoI in the acquisition and deployment of COVID-19 vaccines.

BRIEF PROJECT DESCRIPTION	The grant funding is supporting the implementation of the Iraq COVID-19 Vaccination Project (IBRD US\$98 million). The grant funding covers the costs under Sub-component 2.2 of the Iraq COVID-19 Vaccination Project (PI77038) for establishing a mechanism for third party monitoring of COVID-19 vaccination (US\$2 million) which is aimed at strengthening the systems for deployment of COVID-19 vaccination in Iraq. The grant is supporting the MoH to hire a TPMA of the deployment of WB financed COVID-19 vaccines. International Federation of the Red Cross/Crescent has been selected. The key objective of the assignment is for the MoH and World Bank to receive independent validation of the compliance of the vaccination deployment with the Iraq COVID-19 National Deployment and Vaccination Plan (NDVP), WHO standards and World Bank requirements reflected in the legal agreements, ESMF and the POM, at (i) the key points in the supply chain and (ii) vaccination sites from the technical, environmental and social safeguards perspectives. The findings are being shared periodically with the MoH and the World Bank (weekly, monthly, quarterly and half yearly)
TIMEFRAME	October 2021 – June 2023
SECTOR CONTEXT	The GoI launched the national COVID-19 response in March 2020. The GoI reduced spending in non-essential areas and safeguarded budgetary allocations to the MoH. The GoI also invested in expanding testing and case management capacity as Iraq is one of the most significantly impacted countries by COVID-19 in the MENA region. Iraq remains susceptible to a high risk of morbidity and mortality due to COVID-19, not only through its direct effects but also through the indirect effects of the burden it places on the health system. This risk is attributable to a high and growing burden of NCDs, a diverse range of vulnerable and at-risk populations due to poverty, inequality and displacement, as well as a weak health system with low and inequitable levels of financing, fragmented and inflexible service delivery, limited human and physical resources, and weak surveillance and health information systems.
COMPONENTS	The I3RF covers the costs under Sub-component 2.2 of the Project for establishing a mechanism for third party monitoring of COVID-19 vaccination
FINANCING	I3RF: US\$2 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The grant funding is supporting the implementation of the Iraq COVID-19 Vaccination Project - PI77038 (IBRD US\$98 million).
LINK TO THE GOI REFORM AGENDA	The activity is linked to Axis 4 of the White Paper: Providing key services and rationalizing and directing social care, giving priority to the poor, and protecting them during and after the reform process. In addition, given the importance of COVID-19 vaccination in curtailing the pandemic and returning to normalcy, including resumption of economic activities, the activities supported by this project may also indirectly contribute towards Axis 1: Achieving sustainable financial stability with the aim of slowing down or stopping economic losses and extending the opportunity to achieve other structural reforms.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics and co-financing an IBRD loan.

GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to economic empowerment of women and girls and improving data on gender. Gender inequities and norms influence access to critical health services, as well as risk of exposure to disease, particularly in emergency situations and pandemics. Factors that constrain access to and use of health services by women in Iraq include limited mobility and financial capacity, competing demands of paid and unpaid work, and limited access to information. The reported incidence of COVID-19 is higher among men than women – 59 percent of registered COVID-19 cases in Iraq to date were among men. Moreover, women have also been impacted by the discontinuity of essential Reproductive, Maternal, Newborn, Child, Adolescent Health Plus Nutrition services, including for maternal and sexual and reproductive health, and Gender-Based Violence (GBV). The GBV Information Management System (GBVIMS) has recorded a marked rise in the number of reported incidents of violence in 2020. COVID-19 vaccine uptake is lower among women in Iraq. According to the findings of the Facebook survey conducted under I3RF, only 25 percent of female respondents indicated they would get vaccinated when the COVID-19 vaccine is made available, compared to 40 percent of male respondents. Actual vaccination coverage shows more stark gender differences in uptake, with men receiving approximately 65 percent of vaccines delivered to date. The TPMA activities also cover gender dimensions that will provide direct feedback to MoH that provided course corrective targeted interventions including: (i) positive discrimination in vaccine registration and targeting activities to increase the proportion of women receiving the vaccine to halt preferencing of males; (ii) integration of gender-responsive approaches in communication strategies with the public, including use of multiple accessible mediums in local languages; (iii) use of targeted messaging, and the creation of responsive platforms for registry of inquiries and grievances through a variety of mediums to target women and different vulnerable groups; and (iv) support for promotion of awareness and use of gender-based violence services, including the expanded network of integrated services at health facilities that offer medical, legal, psychosocial support and referrals. These services are offered by health facility staff that received GBV counselling and messaging as part of their regular on-the-job training to support and direct vulnerable women to specific support channels and resources.</p>
CLIMATE CHANGE & THE ENVIRONMENT	<p>The project takes climate considerations in its implementation. As part of the WB financed Iraq COVID-19 Vaccination Project, collaboration is envisioned with other WB GPs in defining, to the extent possible, sustainable, and efficient energy approaches to improve the deployment of vaccines. Technical assistance can be provided so that energy efficiency standards for an upgraded cold chain are applied for COVID-19 vaccines and beyond, including through the development of micro-plans to integrate climate-related considerations (e.g. energy efficiency or promotion of hybrid energy source consumption for cold chain). The project will also support the procurement of effective and low-emissions health care waste management equipment that will also contribute to improving the resilience of health care waste management systems to extreme precipitation. The TPMA mechanism will monitor the functionality of the cold chain and the waste management system to verify its compliance with the NDVP, procurement plan, ESMF, and other key documents. Climate change mitigation co-benefits will be generated under the project through: (i) support for effective health care waste management, including resilience to extreme precipitation and (ii) support for the development of micro-plans that promote the use of high energy efficiency or hybrid energy consumption.</p>
DIGITIZATION & E-GOVERNANCE	<p>The project contributes to digitization</p>
COVID-19 RESPONSE & IMPACT	<p>By financing the TPMA for the Iraq COVID-19 Vaccination Project, the I3RF will promote the effective use of the financing allocated towards the acquisition and deployment of COVID-19 vaccine. Although this is a recipient executed grant, the stringent procurement arrangements will ensure independence of the third-party monitoring agency. The monitoring scope includes all vaccines financed by the World Bank as well as any other inputs such as equipment or other materials. The total number of sites is about 1300. The distribution of sites across governorates is being done in a manner ensuring that each governorate will have at least 10 percent of their sites monitored every month. The monitoring exercise includes use of real time data collection using simple tools such as KOBO (or other available tools) and information dashboards. IFRC has also set in place mechanisms for sharing findings with Gol and partners and with the wider public.</p>

IMPLEMENTATION ARRANGEMENTS	The TPMA reports to MoH and the WB who is involved throughout the entire project.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The IFRC was hired to perform the TPM activities. A contract was signed on December 16, 2021 for a value of US\$ 1,255,095 for a duration of one year that could be extended if needed. IFRC has commenced its monitoring visits starting February 6, 2022, providing weekly reports. In addition, an incipient report and two monthly reports have been also submitted. All reports were un-qualified and acceptable to the Bank. The reports have also provided valuable feedback that helped in fine-tuning vaccine deployment. To date, IFRC has proved very beneficial to the vaccination drive in Iraq. Since effectiveness inception, IFRC has submitted an inception report, thirty weekly reports, monthly reports covering February to August and two quarterly reports. The deliverables were very well received by MoH and have provided some excellent feedback contributing to a lot of course corrections and fine tuning of the vaccination activities.
IMPLEMENTATION CHALLENGES	N/A
BENEFICIARIES	The expected project beneficiaries will be Iraq's population given the nature of the disease. Benefits from COVID-19 vaccination are direct for those included in the priority groups of population that will receive COVID-19 vaccines. As the project will invest in systems strengthening for deployment of the COVID-19 vaccines, other population groups eligible for COVID-19 vaccines will also directly benefit from project investments. The project supports vulnerable populations such as women, girls, youth, displaced, poor, and the elderly.
GEOGRAPHIC COVERAGE	National

COVID-19 Response and Health System Strengthening – BE activity

P CODE	PI74641
GOVERNMENT COUNTERPART	MoH
READINESS & GOVERNMENT ENGAGEMENT	All component 1 activities related to the COVID-19 emergency response have been completed. While progress on component 2 had been stalled between January-July 2022, engagement has recently picked up with the completion of two promised deliverables in August 2022 and renewed government engagement on the health insurance costing work.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To strengthen the GoI capacity to respond to the COVID-19 pandemic; and to develop innovative models to improve the financing, access and quality of healthcare services.

BRIEF PROJECT DESCRIPTION	This project provides TA and conducts analytical work to inform health policies in two areas: (i) responding to the COVID-19 crisis and (ii) improving access to quality health service. It aims to help the Gol address (i) the urgent needs in pandemic response as well as (ii) the medium-and long-term health sector reform priorities - especially those related to the operationalization of a national health insurance scheme. It complements ongoing Gol's and development partners' efforts in both areas.
TIMEFRAME	August 2020 – March 2023
SECTOR CONTEXT	The human capital index shows that a child born in Iraq today will reach, on average, only 41 percent of his or her potential productivity than if he or she had access to full health and education. Repeated conflicts have resulted in the destruction of health and other key infrastructure and set back the government of Iraq's early successes in health outcomes in the '70s and '80s. More recently, Iraq's low performance has suffered from the country's underinvestment in health and critical inputs needed to deliver quality care. COVID-19 has further exacerbated existing challenges associated with health financing and service provision. Increasing access to quality health services are key priorities under the Iraq National Development Plan, the Governmental program for 2018-2022, and the strategic plan for 2018-2023. In addition, with the passing of the Health Insurance Law no. 22 of 2020, the government is keen to use the new national health insurance agency as a more strategic purchaser of quality health services, incentivizing health care providers to gradually improve the quality of services. As COVID-19 has moved towards endemicity, the priority of the Gol has now pivoted towards the operationalization of the Health Insurance Law.
COMPONENTS	Component 1: COVID-19 Emergency Response Component 2: Improve Access to Quality Healthcare Services
FINANCING	I3RF: US\$5 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The project builds on and complements the health activities in ongoing Bank-financed EODP which focus on structural improvements for Iraq's health facilities.
LINK TO THE GOI REFORM AGENDA	Component 2 supports the operationalization of Law no. 22 of 2020 on health insurance (item 16 in the white paper).
TYPE OF SUPPORT	Technical Assistance, Advisory Support, and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to improving laws and policies affecting women. Disaggregated data on healthcare use by gender is not readily available. The development and costing of a primary healthcare package of services is prioritizing reproductive health, maternal and child health, mental health, psychosocial support, and gender-based violence. In addition, all health policies, strategies, action plans, technical guidelines, etc. to be developed with technical assistance from this ASA will apply the gender filter to make sure the needs of Iraq's women and girls are adequately addressed. Any M&E framework developed with the support of the ASA will have gender disaggregated indicators and targets where applicable.
CLIMATE CHANGE & THE ENVIRONMENT	N/A
DIGITIZATION & E-GOVERNANCE	The project contributes to digitization and E-governance

COVID-19 RESPONSE & IMPACT	Component 1 (COVID-19 Emergency Response) aims to strengthen the ability of the GoI to respond to the ongoing COVID-19 crisis by enhancing the capacity to prevent further transmission, detect cases at early stages, and provide appropriate clinical care for those affected by the current COVID-19 pandemic. The support under this Component will also increase the resilience of the health sector to future potential pandemics.
IMPLEMENTATION ARRANGEMENTS	The project is managed by the Health, Nutrition and Population GP, in close collaboration with MoH in Iraq. The WB team has also reached out to colleagues from ID4D and Social Protection GPs to help support the identification and targeting of health beneficiaries and establishment of the beneficiary database needed to operationalize the Health Insurance Law.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	Component 1: COVID-19 Response aims to strengthen the capacity of the GoI to respond to the ongoing COVID-19 crisis. All deliverables under this component have been completed as well as some additional deliverables that were not fully identified at the concept stage. Some of the products delivered include: Facebook surveys on COVID-19 vaccine hesitancy and other communication activities; an assessment of country readiness for COVID-19 vaccination; development of the NDVP for COVID-19; various assessments on SARS-CoV-2 testing, surveillance, contact tracing, infection prevention and control, patient flow; provision of technical inputs for the development of a digital registry for COVID-19 vaccination; a National Strategy for Adverse Events Following Immunization (AEFI), engagement with Iraq in the regional COVID-19 vaccination workshops series; a national workshop on oxygen safety in health facilities. Component 2: Improving access to quality services. Activities under this component aim to support the operationalization of the GoI's national health insurance law. The 5 key activities at concept stage included: i) the development of a Health Services Master Plan (delivered August 2022); ii) a Social Health Insurance Roadmap (delivered August 2022); iii) the costing of the health benefits package (expected March 2023); iv) capacity building workshops (1st workshop carried out virtually October 2022, with additional sessions planned in October-November 2022). In addition, the 5th activity, the SDI survey was also planned, however, it had to be dropped, given the project's closing date and due to prolonged technical discussions which delayed the procurement process. However, prolonged technical discussions on the scope and sample size delayed the procurement process. Moving forward, the main activities will include: i) the completion of the benefit package costing exercise, with its related capacity building workshops to allow MoH counterparts to take over the costing exercise themselves post-engagement; ii) a new activity supporting a roadmap and operational plan for the accreditation of primary health care clinics in Iraq (TORs have been advertised and work is expected to be completed by March 2023); and iii) new just-in-time analytics and advisory services related to the roll-out of the health insurance law.
IMPLEMENTATION CHALLENGES	The team's initial focus on the COVID-19 emergency response and the transition of task team leads meant that implementation of component 2 activities were delayed from January-July 2022. However, since August the team has delivered on 2/4 pending tasks (i.e., the Health Services Master Plan and the Social Health Insurance Roadmap) and have made good progress on the 3rd activity - the costing of the benefits package. While the 4th activity - the SDI survey has been dropped - the MoH has requested support on a new activity - the accreditation of primary health care providers.
BENEFICIARIES	Iraq's entire population, especially women, children, the poor and vulnerable are the primary beneficiaries. Furthermore, the GoI, particularly MoH, will benefit from increased capacity to formulate and undertake evidence-based health reforms.
GEOGRAPHIC COVERAGE	National

PILLAR 2: ECONOMIC DIVERSIFICATION AND PRIVATE SECTOR-LED GROWTH

2.1 Economic Diversification and Transformation

Iraq Economic Diversification and Growth ASAs (includes the Reform Matrix and White Paper) – BE activity

P CODE	PI76098
GOVERNMENT COUNTERPART	RMC, MoF, MoP
READINESS & GOVERNMENT ENGAGEMENT	This project is the second phase of the WB support to the Gol Iraq White Paper reforms, focusing on implementation of White Paper reforms (The first phase had provided inputs to the drafting of the White Paper and WB Country Economic Memorandum). At the project design stage, following consultations with MoF and MoP and subsequently a request to support the newly-established Reform Management Cell, support areas were identified. In December 2021, the World Bank and the RMC agreed on a Capacity Building Program (CBP) aimed at providing support to the RMC in achieving its mandate and enhancing the government's performance framework for delivery of the White Paper for Economic Reform.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To support the decision making process by enhancing the monitoring platform and the reporting cycle of the RMC relying on evidence based on validated performance data collection and analysis.
BRIEF PROJECT DESCRIPTION	The project provides policy options and implements reforms focusing on diversification, private-led growth and job creation. They focus specifically on three areas 1) on-demand policy support for the High Reform Council and the Reform Management Cell for Gol White Paper implementation; 2) policy support in the areas of macro-economic sustainability and growth; and 3) policy dialogue on modernizing Iraq's trade and foreign investment policies. These activities are expected to be delivered in the form of analytical, advisory, technical assistance and capacity building. The main stakeholders will be the High Reform Council, the RMC, the Prime Minister's Office, central ministries, especially MoF and MoP and other ministries like the Ministry of Trade. These activities will provide an opportunity to take forward previous analytical underpinnings on Iraq development model forward into the implementation phase and to deepen understanding in areas in which strategic analysis has not been concluded.
TIMEFRAME	December 2020 – January 2023

SECTOR CONTEXT	Iraq is the world's fourth largest oil exporter and holds the world's fifth largest proven reserves of petroleum. This accounts for over 65 percent of GDP, 92 percent of central government revenue, and 95 percent of the country's exports. The weak economic and social returns of Iraq's development model of the past two decades have put the country behind its peer upper middle-income countries in virtually all key socio-economic indicators, and has triggered the need to rethink growth away from the oil sector and its dominance of the public sector in economic activity. This places diversification and private sector participation at the core of the new post-conflict growth paradigm. There are two important conditions to ensure the success of this approach: first, the development of strong public institutions capable of improving economic management, and second, the development of enabling conditions for private sector growth and efficacy. As such, economic diversification and transformation features strongly in the WB existing operational portfolio, its policy dialogue, and the current pipeline of analytical underpinnings. This pillar was strengthened by a Memorandum of Understanding between the WBG and the GoI in October 2019. The Memorandum of Understanding later developed into an Iraqi led national reform plan (the White Paper), which benefitted from WB analytical inputs financed by the I3RF. The White Paper focuses on five thematic reform areas: i) achieve a sustainable fiscal framework; ii) macroeconomic reforms and productive sectors support for sustainable job creation; iii) essential infrastructure to support growth; iv) provide basic services and consolidate social protection systems; v) develop the governance, legal, and administrative environment to help institutions and individuals to implement reform. Many of these areas will require further deep dives to formulate concrete action plans and capacity building to implement reforms, and the proposed ASA program addresses this need.
COMPONENTS	Component 1: On-demand policy support for the High Reform Council and Reform Management Cell for GoI White Paper implementation. Component 2: Policy support in the areas of macro-economic sustainability and growth. Component 3: Policy dialogue on modernizing Iraq's trade and foreign investment policies.
FINANCING	I3RF: US\$1.8 million.
LINKAGES TO OTHER PROJECTS/ INITIATIVES	Due to the high level scope of this project and relevance for the white paper implementation, all project components have direct or indirect links to the overall economy and other sectoral projects.
LINK TO THE GOI REFORM AGENDA	The project seeks to enhance the performance framework to accelerate the delivery of the White Paper's projects. Therefore, the project is related to the overall reform agenda of the GoI, as it seeks to improve the way the projects are planned, monitored, and adjusted based on systematic tracking of progress. Macroeconomic diversification and growth are at the heart of the GoI reform agenda.
TYPE OF SUPPORT	Technical Assistance, Advisory Support, Analytics and other type (i.e., embedded experts and purchase of software)
GENDER EQUALITY & WOMEN EMPOWERMENT	The program provides advisory services and capacity building for White Paper reforms, allowing it to introduce gender specific issues into policy planning and implementation linked to the program's 3 components. As such, gender will be treated as a cross-cutting issue and given special attention, for example, when looking at issues linked to competition and competitiveness, the work will examine impediments to women access to economic opportunities and advise on policies to mitigate this.
CLIMATE CHANGE & THE ENVIRONMENT	The project contributes to climate adaptation, mitigation and NDCs for Iraq. The macroeconomic modelling and other advisory services to the MoP and MoF can help inform planning and investments in prudent climate policies.
DIGITIZATION & E-GOVERNANCE	N/A

COVID-19 RESPONSE & IMPACT	This project contributes to the COVID-19 response. Diversification and economic growth including through better national plans can help reduce exposure to global shocks such as the pandemic and spearhead private sector-led and more job intensive growth which solidifies post-pandemic recovery.
IMPLEMENTATION ARRANGEMENTS	The project is led by governance and MTI teams from the WB with government counterparts previously mentioned from the Gol.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	On the RMC component: There are two salient aspects of the project to highlight. First, the RMC has been able to consolidate and report updated progress information on most White Paper projects („Annual Report of the White Paper Projects 2021-2022“). This Report includes information on the implementing and supporting agencies for each project; the main achievements; and the main obstacles and challenges faced in each project. This Report provides a comprehensive and whole-of-government perspective on the progress and challenges in delivering the White Paper. In turn, this can enable extracting insights that cut across multiple projects. Second, the RMC has also been able to establish periodic routines with its ministerial counterparts for most projects, in order to receive monthly updates, discuss opportunities for improvement, and recommend actions. This indicates that it can act as a credible partner for ministries and agencies. Although significant limitations persist in performing this role (see more details below in the section „implementation challenges“), the RMC has begun to develop the basis for managing a „tracking and reporting cycle“ from the Center of Government, as envisioned in the White Paper’s governance model. Other component’s progress include: A training workshop is being prepared to improve the Macroeconomic Modeling capacity at the MoP. The possibility of proposal for CSO training is being reviewed.
IMPLEMENTATION CHALLENGES	Under the first component: The implementation of the project has faced several challenges. First, stronger coordination and empowerment at the Center of Government would be required for the RMC to fully establish its role managing the performance and reporting cycle, especially for certain sectors and ministries who have not shared their implementation plans or do not periodically report on progress. Second, additional omissions in progress reports exist due to the weaknesses of data collection tools and information systems throughout the government. This requires investing in systems and capabilities that go beyond the support to the RMC. Third, the personnel rotations in the RMC itself have led to the discontinuation of key capabilities, including those needed for maintaining and updating the online performance dashboard and for extracting more analytical and actionable insights from the progress information. And, fourth, the weak capacities extend to certain key ministries. Other challenges include: Overall, the work, especially policy components, has been impacted by the government formation challenges and absence of Annual Budget, hence most of the support has focused on capacity development. This has, at times led to the counterparts’ priorities and previously agreed plans either changing or being not followed upon.
BENEFICIARIES	MoP, MoF, Ministry of Trade and RMC.
GEOGRAPHIC COVERAGE	National

Iraq Financial Sector– BE activity

P CODE	P171615
GOVERNMENT COUNTERPART	Main Gol counterparts include CBI, Economic Reform Unit at the Prime Minister’s Office, RMC, FIU, MoP, MoLSA and MoCHPMW, in coordination with MoF. The task team is expecting to liaise further with the National Housing Fund on potential products and pilot activities.

READINESS & GOVERNMENT ENGAGEMENT	The project was developed in close collaboration with the CBI and Gol counterparts. The team has been working closely with a dedicated team at the Central Bank led by the Deputy Governor and comprising the GMs of Banking Supervision, Payment, Infrastructure. The team undertook a reverse mission in Jordan in May 2022 with CBI and MoF at which the Financial Sector Assessment Program (FSAP) findings were delivered. Additionally, the WB team has continually kept the Gol counterparts updated through regular briefings and presentations. At the request of the MoP, the team organized a presentation on the project TA provided to the Iraqi counterparts that was led by the Deputy Governor of the CBI who provided an extensive status update to the MoP. The team has also kept the I3RF donors updated through presentations including through the Iraq Economic Contact Group (IECG) and bilaterally (EU/KfW/GIZ/IOM) to ensure work plans are aligned.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To improve the stability and integrity of the financial system and access to finance through reforms and capacity building to enhance financial infrastructure, strengthen regulatory and supervisory frameworks and improve the efficiency and impact of public interventions and state-owned financial institutions.
BRIEF PROJECT DESCRIPTION	The project consists of two broad pillars: "Strengthening the Foundation for Financial Sector Development" and "Developing Specialized Finance". The first pillar entails three components related to reforms of state-owned banks and the strengthening of banking sector licensing, regulation and supervision; National payments system strengthening; and National ML/TF risk assessment. The second pillar aims to contribute to the development of specialized finance with a specific focus on microfinance and housing finance.
TIMEFRAME	December 2019 – November 2023
SECTOR CONTEXT	State Owned Banks continue to dominate the Banking sector which comprise of 74 Banks with 904 branches that are primarily concentrated in major cities such as Baghdad and Basra with limited rural presence. Iraq's banking sector market penetration remains low with low credit to GDP ratio (15 percent in 2021) and low levels of financial access and inclusion resulting in only 20 percent of adults having a bank account in 2021. A key initiative by CBI to address the inherent lack of trust in the banking system is the operationalization of the Deposit Insurance Company which now insures customer deposits up to IQD 150 million. CBI is also working to increase digitization of financial services by domiciliation of salaries of 4 million public sector employees, licensing of 17 Payment System Providers and increasing the coverage of the credit bureau to include financial institutions and utilities providers. Another key initiative is to rationalize the proliferation of exchange companies through Mergers and acquisitions (M&A) operations and reduce them from 2000 companies to a more manageable 1000 companies thereby reducing the drain on CBI resources. The provision of reliable and accurate data remains a challenge as the two largest state owned banks continue to operate without core banking systems and have not issued audited financial statements since 2014. They are in the process of implementing core banking systems but the progress is onerous and subject to delays.
COMPONENTS	Pillar I: Strengthening the Foundation for Financial Sector Development: (i) Support the implementation of recommendations of the FSAP DM; (ii) National Payments System Strengthening project; and (iii) National ML/TF Risk Assessment Pillar II: Developing Specialized Finance: (i) Microfinance Sector Development; and (ii) Housing Finance Advisory
FINANCING	I3RF: US\$2.4 million and MSME2.0: US\$0.419 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The activities are aligned and provide operational support and TA to on-going WB projects including the COVID-19 Adaptation and Recovery Pilot (CARP)

LINK TO THE GOI REFORM AGENDA	This project links to the Gol's reform agenda under the White Paper on: Financial Regulatory Reform, Banking Performance, Electronic Banking Services and Governmental Banks and also the incoming Gol expanded agenda of reforms targeting Corruption, Housing Finance and Reconstruction and Development and promoting private sector growth and supporting MSMEs
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The financial sector cluster provides wide ranging support and technical assistance to the Gol including support to improve the legal and regulatory framework on Payments, Digital Financial Services and support to MSME, both formal and informal. These activities in totality contribute to economic empowerment of women and improving data on gender and indirectly contributes to improving laws and policies affecting women. Only 13 percent of women work in Iraq, according to ILO data, which places Iraq among the countries with the lowest female participation rates in the world. The Gol has targeted increases in women's labor force participation rates by 2025 of 5 percentage points. If these targets are met and maintained for a decade, annual economic growth would be increased by 1.6 percent in Iraq by 2035. Regarding entrepreneurship, 90 percent of MSMEs are informal but it's unclear what percent of these MSMEs are women-owned. The related work being carried out on liquidity support for the microfinance sector and on development of a NFIS is an opportunity to improve finance available to women-owned businesses, and financial inclusion for women, and is intended to improve women's control of assets. Gender outreach and gender sensitive programming is embedded within this project. This includes ensuring gender balance amongst program personnel, including business advisors, who will serve as coaches for the MFIs, MSMEs and SGBs. The WB team will include design learnings that are relevant to the Iraqi context. To address the gender gap in access to finance, the Project Implementation Entity (PIE) will work with MFIs to ensure female clients are being addressed in order for them to gain access to finance. Furthermore, technical assistance during the creation of the MSME or NBFU Unit will embed training for women entrepreneurs.
CLIMATE CHANGE & THE ENVIRONMENT	The project has remained engaged with the authorities in its efforts to highlight the critical impact of climate change and the role that financing/funding of climate adaptation and mitigation will play through developing innovative "Green" financing solutions including a Green Bonds Framework. The project discussed climate change and green financing solutions with the CBI and MoF senior authorities at the Amman meeting and it was agreed to continue joint cooperation between the above-mentioned entities in the field of green finance. The importance of green finance in the face of climate change was also emphasized, and WB expressed its willingness to assist the relevant Iraqi authorities in building a roadmap for expanding the use of clean energy, stressing the importance of CBI's initiative to support financing solar energy systems with an amount of one trillion dinars.
DIGITIZATION & E-GOVERNANCE	The project contributes to digitization and E-governance

COVID-19 RESPONSE & IMPACT

As part of its response to the impact of COVID-19 on the formal and informal sector, the team has developed an IPF Pilot Operation Supporting Firms' Resilience, Access to Finance and Growth in Iraq (CARP) which achieved effectiveness with its disbursements delayed on account of procedural issues related to the absence of the Budget 2022; however, the team has managed to overcome the challenges and its first drawdown took place earlier this month. The project will support the strengthening of MSME finance, through supporting MFIs and the informal sector, and also promote a broader perspective on firm-level support. The operation is actively targeting micro-enterprises (which tend to be predominantly women-led firms), SMEs, startups, and other promising growth-oriented firms and focusing on the financing institutions that support these types of firms, including MFIs, angel networks, venture capital funds, SME funds, corporates, etc. The suspension/cancellation of EODP/ Emergency Social Stabilization and Resilience Project (ESSRP) Lending Operation (TA to setup Micro Finance Unit at MoLSA) has stopped all TA activities to both operations. Ongoing discussions and reservations of MoP on the status of SFD as an apex institution under Component 2 under the SFD operations (TA to setup SFD as Apex institution for Micro Finance) has resulted in suspension/reallocation of the SFD funds, thereby suspending all support to the SFD operation which was funded by the i3RF under the Microfinance Sector Development component. The aforementioned developments that have resulted in the curtailment/ cancellation of TA support to the EODP/ESSRP and the potential curtailment of the SFD MF operations under Component 2 coupled with the approval and operationalization of the CARP with its Comp 1 providing TA and support to the CBI to setup a non-banking financial institutions unit (NBFI) that is designed to strengthen the regulatory and supervisory ecosystem for NBFI (including MFI and others) has necessitated a reallocation of resources from the Microfinance Sector Development to support the implementation of the recommendations under the long awaited FSAP DM which has now been issued. The reverse mission in Amman in May 2022 with CBI and MoF agreed on the scale up of existing technical assistance by the WB to CBI and MoF including implementation of the FSAP DM comprehensive set of recommendations on regulatory and supervisory reforms of financial sector include strengthening of the supervisory capacity of CBI (improving the quality of Supervisors through capacity building), updating of the licensing regime and alignment with global standards including Basel II and III and FSB regulations such as Bank Resolution Regimes, introduction of risk based supervision and potential introduction of Green Finance Framework. The team is working with support from CBI to seek top up funding under the I3RF to continue the programmatic TA program and continue to support CBI and counterparts. The incoming government has announced plans to continue the reforms under the White Paper (Banking sector reforms are a critical component) and has also focused attention on a number of areas including reconstruction and housing.

IMPLEMENTATION ARRANGEMENTS

The grant is being managed by the WB FCI GP, with other GPs, including SPJ, and from the Gol the primary counterparts are CBI and line ministries as noted under Governmental Counterparts above

KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022

Pillar 1: Strengthening the Foundation for Financial Sector Development

1. Support the implementation of recommendations of the FSAP DM

A reverse mission was held in May 2022 within the context of the World Bank support to the Gol by providing technical assistance and support in developing and strengthening the financial sector, with particular focus on Core Financial Sector Reforms: Regulatory and Supervisory Reforms, Reforms of the SoBs, Access to Finance and Financial Inclusion, Payment System Reforms and Credit Infrastructure Reforms under the I3RF. This reverse mission benefitted from the active participation of the CBI team led by H.E. the Governor and H.E. the Deputy Governor who were supported by their technical teams led by the General Managers of Banking Supervision, Payments, and IT Infrastructure as well as by representatives from the MoF.

The reverse mission also met the request from the counterparts to have a face-to-face opportunity to provide the FSAP findings and to work jointly to develop a comprehensive plan to implement the FSAP recommendations within the context of the existing programmatic TA. The mission achieved its objectives, and furthered ongoing dialogue with Iraqi counterparts through a workshop focusing on a number of areas to 1) Present the results and recommendations of the recently concluded FSAP to H.E. the Governor of CBI and the representatives of MoF and their teams; 2) Discuss the progress of the programmatic work program and agree on implementation of the FSAP recommendations in each of the areas covered by the programmatic technical assistance work program; and 3) Present Green Finance and potential WB support to CBI in building a Green Finance Roadmap.

The reverse mission ended very positively with CBI management supporting and endorsing the joint FSAP recommendation implementation roadmap that was developed by the WBG/CBI teams during the preceding two days of the workshop. At the conclusion of the meeting, the Central Bank of Iraq issued a press release (Link) which quoted H.E. the Governor's words of appreciation for the cooperation and support to the programs provided by WB to CBI and MoF with the aim of reforming the financial sector and enhancing its role in financing economic development.

2. National Payments System Strengthening project:

Several workstreams compose the component focusing on strengthening the National Payments System:

Business continuity plan update: In 2021 the team performed a scoping exercise, together with the CBI team, on the areas to cover in updating the CBI's payment systems infrastructure business continuity plan. This needed to be revised to consider the lessons learned from the COVID-19 response and the forthcoming relocation of the CBI into a new premise. The WB experts collated material from the CBI and provided support in identifying key risks that would need to be mitigated, creating a preliminary draft of the updated business continuity plan. In addition, the output of the work consisted of several workshops with the CBI team.

In 2022 the work output resulted in the draft of an updated business continuity plan for the areas in the identified scope. Meanwhile, the technical assistance is also meant to provide training to the CBI staff, to increase the CBI staff capacity. The expected result of the activities is the implementation of a business continuity plan that will ensure an efficient continuation of the activities in case of disaster or extraordinary events that would affect operations defined in the scope.

A workshop on cyber security policies for Financial Market Infrastructures was provided. The workshop follows the advice provided on the draft Business continuity plan. Moreover, a second workshop on IT security policies and employee awareness is being planned.

Assessment of the remittance market in accordance with the General principles for international remittance services: The WB team shared a presentation on the methodology for conducting a formal assessment according to the General principles for international remittance services. The expected result of the activity is understanding the changes to enact to increase competition in the remittances market and reduce costs, benefitting the remittances receivers. The WB team conducted the assessment through desk research and interviews with the Central bank. Interviews with market stakeholders are pending. The assessment report is currently a draft pending final integration with interview inputs and some data on remittances flow.

Support to the work of the National Payment Council (NPC): Due to the Covid-19 pandemic, the Iraq National payment council halted its operations. The World Bank team is assisting the CBI in rebooting the work of the NPC. The team has gathered material on the work of the Iraqi NPC. The WB identified and collated material on successful practices, adopted in other countries, that led to a swift execution of council decisions. This material has been presented to the CBI in the form of a presentation, including recommendations on improving the NPC governance. In addition, during the meeting, the WB and the CBI teams discussed how other countries' practices could be integrated into Iraq. During the in person meeting with the CBI, the CBI asked for support in revising the NPC council governance, to improve the efficiency of the NPC at its next gathering.

Support the creation of an Instant payment service: Instant payment services are becoming more and more present in several countries around the world, boosting financial inclusion, and improving consumer, corporate, and merchants' experiences. The WB has developed a toolkit on Fast payments. The CBI monitored the instant payment adoption global trend. In 2021, it issued a Request for Information to fast payment technical infrastructure suppliers, with the ambition to issue subsequently an RFP and then develop a fast payment service. The WB team has reviewed the draft RFP and provided comments to the CBI to improve the RFP. In addition, the WB team presented the fast payment toolkit and discussed with the CBI some aspects related to the instant payment implementation. The WB provided a set of comments to the ToRs for the RFP on the procurement of a technological platform to manage the Instant payment infrastructure.

Agency banking and agency of financial service providers: The CBI issued a regulation to norm agency services related to non-bank financial institutions. However, agency services for banks are not yet allowed. The CBI, starting in 2021 developed a draft regulation for Agency banking and asked the WB team for support to review and finetune the regulation. The WB team reviewed the draft regulation and provided some comments. Meanwhile, the WB team developed a draft regulatory proposal on agent services for the financial sector that encompasses all different types of financial institutions. The proposal was discussed with the CBI officials, and a new draft circular prepared by CBI was shared with the WB for review. The proposal is under discussion for its finetuning with the CBI officials

Oversight on the payment system - no progress has been achieved in this area during the last 6 months on account of re-allocation of responsibilities between the Payments and Supervision departments: The team continues to provide TA in the renewal and implementation of the oversight framework on payment systems. The project lies in between the responsibilities of the CBI's payment and the oversight supervision departments, and with the reallocation of responsibilities this would involve the team is currently working with both departments to undertake an initial stocktaking of challenges, and developing the implementation plan. As part of their ongoing discussion to further expand TA coverage to the **new emerging areas** of interest to the CBI management in accordance with their recently approved sector strategy have been identified.

3- National ML/TF Risk Assessment

International AML/CFT obligations require all countries to complete a National ML/TF Risk Assessment (NRA) to strengthen effectiveness of the national AML/CFT system including the integrity foundations of the financial sector. This international AML/CFT obligation is aimed at ensuring officials have basic tools needed to prevent and detect criminal abuse of the financial system, and the outputs (ie., NRA Report and NRA Action Plan) must be used by officials as the basis for strengthening effectiveness of the AML/CFT system and as a guide for targeted allocation of available resources to fight ML and TF. Iraq commenced its NRA in 2021. As Iraq is using the World Bank's NRA Tool to guide its NRA, in 2022, the World Bank team has conducted (virtually) multiple training and capacity building sessions in support of 6 multi-agency NRA Working Groups to collect and analyze ML and TF risks, threats and vulnerabilities in respective sectors and technical areas. The World Bank team has also conducted technical reviews and provided written comments and feedback on the draft NRA Chapter Reports for consideration and revision by Iraqi officials before all chapters were collated into a comprehensive NRA Report. The comprehensive draft NRA Report is expected shortly for the team's technical review. The final output will be National ML/TF Risk Report and Action Plan (expected in early 2023) which should serve as the foundation on which to improve the National AML/CFT System on the basis of actual risks and threats that Iraq faces, and allocate available resources to mitigate the most serious ML & TF risks. As part of its ongoing TA and capacity building support, the team has received a request from the FIU to provide technical assistance to the FIU in several emerging areas within the NRA that the WB team has developed, and these include: (i) Non-profit organizations Risk Assessment (NPOs); (ii) Legal Persons/Legal Arrangements Risk Assessment; (iii) Virtual Assets/Virtual Asset Service Providers Risk Assessment (VAs/VASPs); (iv) Environmental Crimes/Natural Resource Sectors Risk Assessment. The WBG team has agreed to review the request for support and technical assistance in the new areas subject to availability of funding and resources to support these requests.

Pillar II: Developing Specialized Finance:

1. Microfinance Sector Development: The team continues to make progress in its programmatic technical assistance on Access to Finance particularly to SME and NBFi funded by other programs including the development of the regulatory framework for MSME and has incorporated this activity as part of the COVID-19 Adaptation and Recovery Pilot: Supporting Firms Resilience, Access to Finance and Growth in Iraq. This is proposed to be achieved by providing TA to the CBI in setting up a Non-Banking Financial Institutions (NBFi) Unit and support in drafting a Law/Regulation on NBFis which will assist these firms (including microfinance institutions) to access finance and improve financial inclusion. The draft regulations will include a standardized definition of MSME which is a key recommendation under the recently concluded FSAP DM.

2. Housing Finance: The team has finalized the draft technical note on Housing Finance and has submitted it for comments to the MoCHMPW, CBI and MoF. Upon finalization, the team will be working with the MoCHMPW, CBI and MoF to provide support and TA to implement the technical note recommendations.

IMPLEMENTATION CHALLENGES	The continuing impact of COVID-19 has lingered on as the team continues to have difficulties in obtaining visas on time, availability of scarce accommodation in the British Embassy compound has impacted on the team's ability to be on the ground in Baghdad and to meet in person with counterparts a number of whom are likely to change with the incoming government. The team has managed to recruit a local resources who are based in Baghdad and provide implementation support/facilitates to the team in communication with counterparts.
BENEFICIARIES	Direct beneficiaries: Government counterparts; Indirect beneficiaries: Iraq's population at large.
GEOGRAPHIC COVERAGE	National

Analytics and Advisory for Management of Public Resources and Fiscal Federalism – BE activity

P CODE	PI66640
GOVERNMENT COUNTERPART	MoF, MoP, CoMSec, MoO (EITI) and Federal Board of Service Council (FBSC)
READINESS & GOVERNMENT ENGAGEMENT	The team is engaging actively and providing technical assistance to: (i) MoF (on tax reforms and debt management); (ii) MoP (on E-Procurement, payroll/HR system, regulatory impact assessment and capacity building (pipeline)); (iii) CoMSec (on E-Government); and (iv) MoO (on extractive industries initiatives). The team is also actively engaging with the Federal Civil Service Commission.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To strengthen fiscal sustainability and transparency and improve intergovernmental fiscal relations in Iraq.
BRIEF PROJECT DESCRIPTION	Planned activities will complement ongoing WB projects and help prepare further WB engagement on Public Financial Management (PFM) reforms. They will consist of five main streams of activities: 1) fiscal crisis management; 2) fiscal federalism; 3) debt management; 4) revenue mobilization; and 5) fiscal transparency.
TIMEFRAME	October 2020 – December 2023
SECTOR CONTEXT	The GoI needs to implement structural economic governance reforms while addressing urgent fiscal constraints (a shrinking fiscal space, bloated recurrent expenditure, fast growing financing needs).
COMPONENTS	Component 1: Technical Assistance Component 2: Analytical Work (Political Economy Analysis; Institutional Assessments)
FINANCING	I3RF: US\$2 million. Co-financing by other TFs is explored.

LINKAGES TO OTHER PROJECTS/ INITIATIVES	The activity will support and complement two on-going WB implemented projects, a WB-funded project on the modernization of PFM systems (US\$41.5 million); and EU-funded projects on PFM oversight and accountability institutions (US\$12.5 million). It will in particular synergize with the EU-funded project (P170704) managed by the WB on Strengthening PFM oversight and accountability institutions which aims at strengthening institutions and mechanisms of fiscal accountability and oversight at federal and regional levels (and which covers: wage bill management, budget transparency, financial oversight over state-owned enterprises, e-procurement, etc.), including by preparing its Phase 2 which will focus on tax and customs administration and fiscal federalism.
LINK TO THE GOI REFORM AGENDA	The activities relate directly to the implementation of the White paper, be it on debt management, on revenue mobilization, on fiscal federalism and on civil service reform.
TYPE OF SUPPORT	Technical Assistance, Advisory Support, Analytics and Learning Event on Political Economy Analysis
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to improving laws and policies affecting women. The activities may support gender-based budgeting which is required by the 2019 PFM law. It should also lead to incorporation of the gender equity agenda into civil service reforms, noting that women participation in the civil service sector is currently a gender gap.
CLIMATE CHANGE & THE ENVIRONMENT	N/A
DIGITIZATION & E-GOVERNANCE	This project contributes to digitization and E-governance
COVID-19 RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	From the WB, the activity is co-led by the Governance GP and MTI. From the GoI it is managed by the government counterparts that were previously listed

KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	<p>Engagement with the CoMSec is around Digital Transformation agenda, workstreams, and related technical assistance. In addition, the work also covers the Digital Government Readiness Assessment (DGRA) and the development of a Digital Transformation Strategy and related Implementation Plan (TA). The Digital Government Readiness Assessment (DGRA) is a technical assessment developed as a public good to help client countries' leaders in digital agenda and ICT sector assess their current status, as well as their aspirations in digital development of the country and transformation of the public sector by leveraging digital solutions. Results achieved include developing the DGRA report and the digital transformation recommendation report. As for the work with MoF, specifically under the TA to the Iraqi General Commission of Taxes (GCT) to improve its effectiveness by introducing good international practices and making use of modern information technology, the results achieved include the tax administration technical support roadmap and the tax administration diagnostic assessment tool (TADAT). Technical assistance proposals were also provided to the FPSC in the areas related to HR management reform in the civil service. Several briefs around this were produced. The work with MoP includes several streams: (i) Payroll/HR: For activities at the Federal-level, the team organized a two-day workshop in July 2022 with government officials in Erbil during which Bank experts provided an overview of HRMIS implementation best practices and a draft ToRs template that can be customized and used to hire a consulting firm to support the Payroll Committee in drafting a RFP. The Federal government counterparts requested and it was agreed that the Bank will use I3RF funds to hire the consulting firm to support the Federal government in its efforts to finalize an RFP for purposes of establishing a centralized HRMIS. This plan was formally approved by CoMSec in September 2022 and the latter has directed the Payroll Committee to finalize the ToRs within two-weeks so that WB can move ahead with procurement of a consulting firm; (ii) E-procurement: a draft strategy and roadmap for the implementation of an end-to-end e-Government Procurement System in Iraq was developed and discussed with MoP. The draft strategy was prepared based on a series of meetings with various stakeholders from the public and private sectors, organized by MoP, and a review of relevant laws and regulations as well as ongoing initiatives for digitalization of relevant government services, including the ongoing e-Government readiness assessment by CoMSec. It is expected MoP will submit the final strategy to the Council of Ministers for approval by December 31, 2022. The strategy will guide the development and implementation of the e-GP system, for which an initial US\$4.5 million was allocated from the general budget. For progress under the work with MoO – EITI is as follows: The 2018-2020 report has been completed and published on the IEITI website (both in Arabic and in English). Given the political situation, not all the corrective measures listed on the 2019 Validation were addressed, but the Multi-stakeholders Group will continue to fill the gaps and improve the process while waiting for the next Validation (currently scheduled for January 2023). One key step supported by the Project is the recruitment of a consultant to play the role of a Beneficial Ownership Specialist embedded with the National IEITI Secretariat, to facilitate data disclosure through IEITI related to the beneficial owners of the license holders, subsidiaries of license holders, as well as bid applicants, facilitating the use of IEITI for supporting national priorities and dialogue on oil and gas sector governance. The next steps include the preparation of the 2021 report (covering 1 fiscal year). IEITI's Multi-stakeholders Group is in the process to request offers for a new Independent Administrator, aiming at submitting it to EITI's International Secretariat on 06/30/2023. Other activities under this project are planned, specially around the regulatory impact assessment (RIA) capacity building with MoP.</p>
IMPLEMENTATION CHALLENGES	<p>Challenges faced include: (i) COVID-19 implications has resulted in delays to the overall delivery timeline; and (ii) FCV context of Iraq including demonstrations and lack of government formation has resulted in delays to the implementation of major PFM reforms which require stabilized political situation.</p>
BENEFICIARIES	<p>The direct beneficiaries of this project are MoF, MoP, ComSec, MoO (EITI) and FBSC.</p>
GEOGRAPHIC COVERAGE	<p>National</p>

Debt Management for Recovery and Development

P CODE	PI66640
GOVERNMENT COUNTERPART	MoF
READINESS & GOVERNMENT ENGAGEMENT	This project has so far benefitted from close coordination with the Ministry of Finance Public Debt Directorate (PDD). This included a series of virtual meetings and workshops at the outset to identify key challenges, discuss best practice in other countries and agree on a reform action plan. Engagement has continued as a series of in-person missions and virtual meetings on scoping challenges, stakeholder engagement (MoP, CBI, SOBs), and capacity development. Work has so far focused on 3 pillars, notably debt recording, legal framework and organization of debt management.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To support the government of Iraq and the public debt department at the MoF to modernize the debt management function and boost its efficiency.
BRIEF PROJECT DESCRIPTION	The proposed project is a response to a request from the Gol for support in strengthening public debt management, and it seeks to balance the urgency of improving debt management with the need for training and capacity building. The program is expected to be delivered during 2022 to early 2024, and initially focuses on building a strong foundation for debt management by aiming at the establishment of an organization of the PDD along functional lines and by establishing a solid debt recording (back-office) function that ensures high-quality and timely debt data. With training and capacity building an essential element of all the activities, the project activities are about using the debt data to prepare a debt management strategy and introduce regular reports on outstanding debt and risks. In parallel, a review of the legal framework will be undertaken. Towards the end of the program the focus will broaden from core debt management activities to monitoring and management of contingent liabilities and the development of the domestic market. The WB support will be a combination of on-site and off-site support, and external experts will be brought in as necessary. Exchanges with other debt management offices and peer-to-peer learning will be part of the capacity building and training.
TIMEFRAME	August 2022 – December 2023
SECTOR CONTEXT	Fiscal loosening, significant guarantees and contingent liabilities, and legacy arrears have all impacted Iraq's debt levels and debt management functions. Iraq's high dependence on oil revenues has shaped fiscal policy to be procyclical. This volatility has had negative implications for public debt dynamics especially during downturns. This was highlighted during the COVID-19 crisis when the sudden plunge in oil revenues led to a surge in public debt levels and to a significant increase in unaccounted arrears. Furthermore, the fiscal deficits in previous years were mainly financed through domestic borrowing from the banking system, namely CBI and state-owned banks, which has had negative impacts on their balance sheets and crowded out investments from the private sector. While the recent surge in oil revenues has improved buffers, Iraq's legacy debt and arrear challenges and potential future downturns call for a medium-term fiscal framework to minimize fiscal risks. To this end, debt management becomes an important element of fiscal policy to mitigate some of these risks and improve economic governance. As such, WB is committed to support the government of Iraq and the public debt department at MoF to modernize the debt management function and boost its efficiency.

COMPONENTS	<p>Component 1: The organization of debt management</p> <p>Component 2: Debt recording and debt data</p> <p>Component 3: Debt management strategy and reporting</p> <p>Component 4: The legal framework for debt management</p> <p>Component 5: Contingent liabilities</p> <p>Component 6: Action plan for domestic market development</p>
FINANCING	I3RF: US\$3 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	This project is one component of the broader reform of PFM institutions, improving transparency and accountability work carried out by the WB, funded by the WB or other sources, and other donor country work on PFM, fiscal policy and financial sector reforms.
LINK TO THE GOI REFORM AGENDA	An essential part of the White Paper reforms deals with improvement of public financial management and accountability, this falls under Axis 1 „Achieving sustainable financial stability“ in the White Paper. Specifically, project 8 of the White Paper focuses on public debt management which this project directly contributes to, but many other components of the White Paper indirectly benefit from this project.
TYPE OF SUPPORT	Technical Assistance and Advisory Support
GENDER EQUALITY & WOMEN EMPOWERMENT	N/A
CLIMATE CHANGE & THE ENVIRONMENT	This project contributes to climate adaptation, mitigation and the NDCs by supporting the government to obtain the most efficient and sustainable financing for the series of climate adaptation and mitigation investment needs of the country which will require both domestic and foreign borrowing.
DIGITIZATION & E-GOVERNANCE	This project contributes to digitization and E-governance.
COVID-19 RESPONSE & IMPACTS	This project responds to COVID-19. The COVID-19 crisis highlighted deep debt sustainability vulnerabilities of oil dependence of Iraq's economy when the sudden plunge in oil revenues led to a surge in public debt levels and to a significant increase in unaccounted arrears. Improved debt management can prepare the country to utilize the least cost combination of financing in a time of declining oil revenues, which can arise with subsequent waves of the pandemic or other oil price shocks.

IMPLEMENTATION ARRANGEMENTS	This project is managed by the public debt department at MoF and MTI Iraq team with the MTI global debt unit team.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	Virtual and in person advisory and technical assistance has been conducted in 2022. These included a scoping mission to Baghdad in June 2022 for a closer assessment of the challenges faced by the PDD and engaging the major stakeholders of public debt reforms and delivery of workshops on international best practice. In August 2022 a weeklong training workshop was conducted in Erbil focusing on debt recording for back office PDD staff. An annotated agenda on the legal framework is being prepared in close collaboration with PDD to discuss what a future public debt law would entail. The work on reorganizing the PDD will start, as a first step, with an action plan on transitioning to a dedicated back office. A series of capacity building workshops and trainings will be offered in the remainder of the year.
IMPLEMENTATION CHALLENGES	Logistical challenges are faced including visas and the security situation, which have impacted the planning of meetings and workshops. Some reforms including the organizational restructuring of PDD or the formulation and passing of a new public debt law would require higher level support and necessary political conditions. Considering the capacity gaps identified above, the scale of reforms, and the current end-date of the project, some pillars may have to be prioritized.
BENEFICIARIES	The direct beneficiary of this project is MoF. Yet, better debt management facilitates planning and the most efficient financing of investment in the economy including women, youth, poor and the displaced.
GEOGRAPHIC COVERAGE	National

2.3 Enabling Environment for Small and Growing Businesses

COVID-19 Adaptation and Recovery Pilot for MSMEs in Iraq (CARP) – RE activity

P CODE	PI74273
GOVERNMENT COUNTERPART	MoF, CBI
READINESS & GOVERNMENT ENGAGEMENT	MoF maintains the overall responsibility for the project vis-à-vis the WBG, and is also responsible for the following tasks: a) MoF authorizes the transfer of the funds of the project in exchange of services rendered by the Project Implementation Agency (GIZ) in accordance with the terms and conditions set out in the Implementation Agreement (IA), b) MoF exercises its rights under the IA in such a manner as to protect the interests of the GoI and the WBG and to accomplish the purposes of the grant.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To test the effectiveness of selected financial and firm-level interventions in providing liquidity, building capacity for targeted small and growing businesses (SGBs), and mobilizing private investment.

BRIEF PROJECT DESCRIPTION	The project is expected to limit firms' closures, protect employment, help firms recover their revenues, and stimulate innovation in COVID-19 related sectors. The project will increase participating firms' and entrepreneurs' resilience, and their access to liquidity, and offer digitization opportunities to avoid persistent negative effects of COVID-19 on the private sector. The project has 4 sub-components: Component 1.1 focuses on liquidity support and technical assistance for eligible MFIs – particularly to provide flexibility and immediate relief for the most affected borrowers while helping remaining MFIs stabilize their operations; Component 1.2 focuses on strengthening the legal and institutional framework for MSME finance in Iraq – this will be done through the creation of an MSME or Non-Banking Financial Institutions (NBFIs) Unit under the CBI to serve as basis for the sustained growth of MSMEs. Component 2.1 focuses on enhancing the capabilities of firms – particularly in a business and market landscape affected by COVID 19 – with a focus on helping firms develop greater short- to medium-term resilience and enhance their productivity and growth by leveraging digital solutions. Component 2.2 focuses on catalyzing private investment into Iraqi SGBs that have potential and serve as foundational programs to develop Iraq's nascent SGB investment eco-system with a complementary set of interventions.
TIMEFRAME	December 2021 – October 2023
SECTOR CONTEXT	Iraq continues to face structural challenges, and suffers from limited financial intermediation, which constrains MSMEs access to finance. Like that of many large oil-exporters, Iraq's economy is less diversified and is hydrocarbon centric. The traditional banking sector has been slow in providing financing support to the private sector. The lockdown measures needed to contain the COVID-19 pandemic in 2020 deepened the already slowing economy, particularly in the services sectors. As a frontier market, Iraq has not exploited the potential of the MSME sector. Iraq's unfavorable business environment constrains private sector activity and drives the concentration of firms towards low-productivity sectors. The private sector has poor gender balance. Iraq's nascent entrepreneurship ecosystem requires systematic support to intermediary organizations, or business enablers, and other business development service (BDS) providers including business coaches, business consultancy firms, and technical advisors. Access to financial services among households in Iraq is very low. Microenterprises suffer disproportionately from low financial intermediation and are offered limited financial products. The microfinance sector requires major regulatory and institutional reforms. In the face of the COVID-19 pandemic, and as borrowers struggle to make ends meet and to repay loans, MFIs need access to liquidity to help reschedule loans.
COMPONENTS	<p>Component 1: Financial Inclusion</p> <p>Component 2: SME-Support Measures</p> <p>Component 3: Project Management</p> <p>Component 4: Contingent Emergency Response Component (CERC)</p>
FINANCING	I3RF: US\$15 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The activities leverage resources from the MENA Tech Initiative, a multi-practice initiative within the WBG, and on-going projects led by other FCI teams, IFC Advisory, IFC Investments, and SPJ, MTI, Governance, Digital Development, and Education GPs. The project also complements similar activities and policy reforms led by the EU, Department for International Development – DFID, GIZ, and other WBG initiatives.
LINK TO THE GOI REFORM AGENDA	The project is in line with the Iraq White Paper and is aligned with key GoI priorities regarding (i) digital financial services, (ii) microfinance development, and (iii) MSMEs support and financing.
TYPE OF SUPPORT	Technical Assistance, Advisory support and Analytics

GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to economic empowerment of women, improving data on gender, and improving laws and policies affecting women. Based on the WBES Iraq 2011 and RES 2018 data, the private sector in Iraq has poor gender balance. Only a fifth of Iraqi women participate in the nation's workforce, indicating widespread exclusion from economic life. Women-owned and women-operated businesses are scarce—only 7 percent of firms had a female owner while only 2 percent had a female top manager in 2011. This remains consistent from the Rapid Enterprise Survey (RES) 2018, in which only 9 percent of employees in the sample were women. The services sector is the main employer of women, with gender-related barriers thwarting the economic potential of women both as employees and as entrepreneurs. There is a growing body of literature and international experience that suggests female ownership of firms enhances productivity, which means there is vast untapped potential for economic growth in Iraq. Gender outreach and gender sensitive programming is embedded within this project. This includes ensuring gender balance among program personnel, including business advisors, who will serve as coaches for the MFIs, MSMEs and SGBs. The WB team will include design learnings that are relevant to the Iraqi context. To address the gender gap in access to finance, the PIE will work with MFIs so that female clients are addressed in order for them to gain access to finance. Furthermore, technical assistance during the creation of the MSME or NBFU Units will embed training on the importance of investing in women and sensitize staff on women's potential as clients. To address the gender gap in entrepreneurship, partly linked to the fact that women have less access to finance, the project may prioritize women-led businesses and offer a higher percentage of co-funding by the Project. During implementation of the project, outreach will be organized by the PIE towards women business owners through specific channels targeted at women led MSMEs and SGBs, including women's organizations in Iraq. The activities are further continuously coordinated and aligned with the Iraqi We-fi project.</p>
CLIMATE CHANGE & THE ENVIRONMENT	N/A
DIGITIZATION & E-GOVERNANCE	The project contributes to digitization
COVID-19 RESPONSE & IMPACT	<p>The WBG COVID-19 Crisis Response Approach Paper "Saving Lives, Scaling-up Impact and Getting Back on Track" (June 2020) spells out four thematic areas in a phased approach in 3 stages (relief, restructuring, resilient recovery). As such the proposed project adopts this phased approach which was also prominently featured under the FCI note on private sector policy response under COVID-19 and addresses the considerations to ensure the most context relevant approach is designed. As mentioned above, ensuring business activity and job creation is a core pillar of the WBG COVID-19 Crisis Response Approach Paper titled "Ensuring Sustainable Business Growth and Job Creation". The proposed approach is to focus on firms' recovery from COVID-19 on the one hand while laying the foundations for a much larger growth program on the other hand around Financial Inclusion and MSME-Support Measures. The proposed activities will test interventions that strengthen the resilience of viable MSMEs and support the viability and sustainability of their intermediaries in the aftermath of the COVID-19 pandemic. Business continuity can be achieved through (a) the provision of financial support to MSMEs and innovative local private solutions during the recovery phase, and (b) the implementation of mitigation measures at firm-level supporting SGBs.</p>
IMPLEMENTATION ARRANGEMENTS	MoF will maintain the overall responsibility for the project so as the WBG: Within the WBG, the FCI team will supervise the activities. The Project Implementation Unit, GIZ, will be responsible for project implementation.

<p>KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022</p>	<p>The team marked significant milestones in September 2022: a) The finalization of the Project Operations Manual in English and Arabic, and b) the submission of the first withdrawal application for the first disbursement of US\$5.9 million, allowing GIZ to finalize essential hires and procurement processes. The Bank also finalized efficient and global standards monitoring and reporting systems by leveraging digital M&E platforms, allowing a more comprehensive data collection to inform a potential scale up of CARP. With the first disbursement, the workplans, timelines, budget estimations, and procurement plans for both components were updated and the PIU is currently preparing the formal start of the CARP project through a physical and virtual event in Iraq by mid-December 2022. By end of 2022, the PIU will further submit the first Interim Financial Report for Q3, 2022 and conduct the annual inventory for assets purchased for the project. The communication and outreach strategy, including the visual branding of the project, was finalized. The GIZ further launched a beta project website (www.carp-iraq.com) in August 2022 to start promoting CARP's activities, which will be later replaced by the comprehensive blending learning platform (currently under development) by early 2023. Under component 1: Microfinance Sector Analysis (C1.1): The team updated its analysis of the microfinance sector in Iraq, outlining key indicators across 2012-2020 (portfolio, outreach, non-performing loans, leverage, etc.). The analysis will be used to identify MFIs to apply for C1.1 liquidity support. CBI MSME Finance Regulation Review (C1.2): The team provided written comments to CBI on an updated draft MSME regulation encompassing different financing options (notably lending and leasing). CBI teams developed the draft following earlier discussions with the team, and a benchmarking of regulations from five countries, aimed at providing guidance to CBI. The WBG and GIZ teams also held a (virtual) meeting with CBI to discuss comments provided on the draft regulation. From a technical perspective, the minimum capital requirement and leverage were discussed in detail. From a process perspective, discussion aimed at identifying the most optimal strategy to get the updated regulations approved in the shortest timeframe possible and in accordance with Iraqi laws. The WB teams also provided comments on the updated draft of instructions received by CBI. Staffing and Operations: Under C1.1, an expression of interest for an MFI third party assessor was published. The team selected MFR as the vendor and contract negotiations have been finalized. The team has also hired two consultants to provide advisory services to CBI under C1.2. An initial assessment of CBI's supervisory unit and a review of the legal and regulatory framework related to MSME Finance was conducted during a mission to Iraq in March 2022. A second mission was held in Amman from May 18-20th with the Bank team, GIZ, CBI, and the MoF to review progress and next steps. Under component 2: Technical design: The Bank and GIZ conducted a series of technical workshops in February 2022 on topics such as training platform architecture, MSME digitalization, financial scheme processes, communication strategy, and M&E. With the input of the C2.1 Bank team, GIZ conducted a diagnostic of around 250 MSMEs and BSPs in Iraq to validate and refine the design and roll-out plan (March - August 2022). Following global good practices, the teams identified firm-level tech adoption as the thematic focus of the MSME support. The Bank developed a technical framework to provide guidance on how to incorporate the digitalization perspective throughout C2.1 service offering. Under C2.2, the final design of the three financial schemes were further validated by key early stage financing stakeholders in Iraq. Under C2.1, the team is currently preparing the launch of the vouchers and matching grants by mid December 2022. Under C.2.2, the Co-Investment Grants and Capacity Development Grants were launched in September 2022, and the Pre-Investment Grant will launch by December 2022. Blended learning (C2.1): With the Bank's technical input, the GIZ finalized the design and implementation arrangements of the underlying online training platform. The design features and end-user requirements were summarized in technical notes, on which basis the platform is currently under development. In March 2022, the Bank team went on a mission to Iraq and conducted four focus groups discussions (1 in Sulaymaniyah and 3 in Erbil) with approximately 30 MSMEs, visited 8 MSMEs on-site, and met 10 BSPs to understand the constraints for digitalization. In September 2022, the Bank and GIZ teams went to Beirut to onboard the representatives from the Iraqi MoF on financial management and M&E-related topics. The Bank hired a local consultant in Iraq to coordinate and support the project. The GIZ finalized the onboarding of their local Project Coordinator and Grant Manager in Iraq, and is currently finalizing the hiring of business advisors for the SME/SGBs, a regional SME e-learning expert, and a digital transformation expert. With the first withdrawal application for the first disbursement, The GIZ started the procurement process of the blended learning platform, a communication agency, and AV online training content development agency.</p>
<p>IMPLEMENTATION CHALLENGES</p>	<p>Logistical challenges limiting the travel missions to Iraq.</p>

BENEFICIARIES	The key beneficiaries to receive financial and nonfinancial support will be MSMEs that do not have access to the traditional banking sector such as informal firms, micro, small and medium formal firms, and SGBs (a subset of SMEs), which are small businesses with innovative, scalable business models and significant potential for growth. The project will also support women and girls.
GEOGRAPHIC COVERAGE	National

Enabling Environment for Small and Growing Businesses – BE activity

P CODE	PI71175
GOVERNMENT COUNTERPART	The General Secretariat for The Council of Ministers
READINESS & GOVERNMENT ENGAGEMENT	In June 2021, the council of Ministers established a new Higher Committee to lead the enhancement of the Business Environment reforms in Iraq. This new committee is an inter-ministerial body that reports directly to his Excellency the Prime Minister and is composed of high-level government officials representing different government entities that play an essential role in the various areas of business environment. The Committee's mandate is to work on legislative proposals, new policies, and the development of a new system aimed at improving the business environment in the country. The implementation follows a government/private sector participatory approach, while ensuring the inclusion of investment related agencies and institutions. The project implementation relies on the new Business Environment National Investment Commission and on private sector investors' platforms as a catalyst for reforms implementation and reaching out to government key officials.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To contribute to improving the quality and reliability of entry and support services for small businesses and entrepreneurs in Iraq.
BRIEF PROJECT DESCRIPTION	The task will combine (i) advisory support for horizontal improvements in the overall business environment (Doing Business reforms), with a focus on company registration, and (ii) capacity building support through focused programs to entrepreneurs, entrepreneurship support service providers and emerging investors, with a focus on digital entrepreneurship as an area of opportunity for new entrants. The advisory support to the Gol will facilitate the implementation of regulatory reforms for firms in areas measured by the Doing Business report with a focus on lowering costs and complexity of business entry, operation, and exiting. Meanwhile, capacity building programs to the private sector will expand the quality of entrepreneurship support service providers (such as business incubators, accelerators, tech hubs, and science & technology parks), create a pipeline of growth-oriented firms, and foster the emergence of early-stage investors.
TIMEFRAME	December 2019 – May 2023

SECTOR CONTEXT	Iraq's investment climate is not conducive to innovative companies and SMEs. According to the Doing Business 2020 report, Iraq ranks 172 (out of 190) in terms of ease of doing business – down one position from the previous year, and has no legal infrastructure to attract private equity investments or support innovative businesses. A RES of Iraqi firms undertaken by the World Bank between November 2018 and January 2019 found that the following top three constraints are more significantly impacting small firms (employing less than 20 employees): access to finance (32 percent), business service problems (18 percent), and physical damage and insecurity (17 percent). Iraq's private sector is characterized by low dynamism, and it has not adequately played its role as a creator of jobs. The RES also found that private sector is characterized by low dynamism, and it has not adequately played its role as a creator of jobs. Iraq's annual number of new entrants fell from 5,293 firms in 2008 to 2,020 firms in 2016, according to World Bank Doing Business Entrepreneurship Data. A lack of entrepreneurship (in the formal economy) reduces the pool of young firms which have been identified as the engine of job creation in other countries. In a context in which firms do not grow over their life cycle, the result is an ecosystem with a large number of small and medium old firms, leading to low firm turnover, and a lack of creative destruction.
COMPONENTS	<p>Component 1: Addressing Policy Gaps via Ease of Doing Business Indicators</p> <p>Component 2: Improving the Quality of Entrepreneurship Support Service Providers and Promoting the Supply of Early-Stage Financing for Startups</p> <p>Component 3: Refugee Investment and Matchmaking Platforms (RIMP)</p>
FINANCING	I3RF: US\$2.2 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	Pillar 1 will leverage other UN agencies and donors' initiatives such as USAID contractors operating locally, GIZ teams (ICT, Private Sector), and Dutch initiatives on the ground to optimize the usage of resources and expedite the implementation activities. Pillar 2 will leverage implementation lessons from the FCI GP's 2017 XL Africa21 pan-African acceleration pilot and the 2019 regional adaptation, L'Afrique Excellence22, and the 2019 Digital Mashreq Forum which demonstrated the need and value of a regional acceleration approach. An initiative similar to the SME Hub pilot has been undertaken in the Democratic Republic of Congo, and the WB team will include design learnings that are relevant to the Iraqi context. Pillar 3 will leverage implementation lessons from WBG early-stage finance projects in MENA, including the iSME in Lebanon, the Innovative Startups and SMEs project in Tunisia, Morocco – Financing Innovative Startups & SMEs; and Jordan – Innovative Startups Fund Project.
LINK TO THE GOI REFORM AGENDA	There is a link with the agenda centered around creating the enabling environment for private-sector led growth, diversification and job creation. This is through a discussion of policy reforms organized around two focus areas: (i) Tackling cross-cutting impediments for private-sector led diversification; (ii) Reforming governance and promoting private sector participation in selected productive sectors. These areas were identified by the GoI, Iraqi civil society and private sector groups as priorities. As such, these reforms constitute a common ground among various stakeholders and can serve as an anchor the economic revival of the country.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics

GENDER EQUALITY & WOMEN EMPOWERMENT	<p>This project contributes to the economic empowerment of women and girls, improving data on gender, and improving laws and policies affecting women. The private sector in Iraq has poor gender balance. Only a fifth of Iraqi women participate in the nation's workforce, indicating widespread exclusion from economic life. Women-owned and women-operated businesses are scarce—only 7 percent of firms had a female owner while only 2 percent had a female top manager in 2011. This remains consistent with the RES 2018, in which only 9 percent of industry employees are women. The services sector is the main employer of women, with gender-related barriers thwarting the economic potential of women both as employees, entrepreneurs and business-owners. There is a growing body of literature and international experience that suggests female ownership of firms enhances productivity. The project addresses the gender area by seeking to support innovative firms (formalized or not) from across Iraq, with specific outreach efforts directed at women, youth, and vulnerable populations. The support activities for firm growth continuously seek synergies and alignment with the We-Fi Iraq, which delivers an advanced investment readiness and capital raising program to 20-25 Iraqi women-led startups and SMEs, with a goal to enable at least 30 percent of these firms to raise capital from investors. Women-led firms benefitting from the direct investment readiness coaching program will be eligible to apply for and benefit from the pre-investment and co-investment grants available under the project's RETF component. Furthermore, this activity will employ a "train-the-trainer" approach, with an emphasis on gender outreach and gender programming, to ensure large-scale dissemination and knowledge transfer to existing and new innovative businesses and SMEs. The project will also inform the deployment of similar initiatives for women, youth, and IDPs, implemented under a complementary SPJ project.</p>
CLIMATE CHANGE & THE ENVIRONMENT	<p>This project will identify key sectors for MSME and SGB support. The team will work to ensure policy recommendations pave the way for future support to climate, or green entrepreneurs.</p>
DIGITIZATION & E-GOVERNANCE	<p>N/A</p>
COVID-19 RESPONSE & IMPACT	<p>With the unprecedented economic shocks caused by the COVID-19 pandemic, global FDI flows globally have plummeted in 2020 with an uncertain recovery. In the context of declining global FDI flows, keeping a country's existing investor base has become a key priority for policy makers. The proposed activities to enhance investor grievance management will not only help retain existing investors in the country during the pandemic through bolstering investor confidence, but they will also play an important role to attract more investments in the recovery phase of the pandemic. Furthermore, the activities include support for developing and upgrading online training resources that has been shown to be a critical knowledge transfer source in the so-called isolation economy due to ongoing health and mobility restrictions. Moreover, several of the supported MSME beneficiaries (for example through We-Fi Iraq) work on business models that were created as a COVID-19 response.</p>
IMPLEMENTATION ARRANGEMENTS	<p>The project team will be led by the FCI team Practice, both from IBRD and IFC Advisory sides. Externally, the proposed project will coordinate with the following development partners already active in the innovation space: (i) DFID, (ii) GIZ, (iii) the Netherlands' Orange Corners, (iv) UNPD, (v) USAID, (vi) IRI, (vii) ILO, (viii) WFP, and (ix) IOM and on the following topics: (a) jobs, (b) ICT, (c) entrepreneurship, and (b) private sector development.</p>

**KEY DELIVERABLES
AND RESULTS
FROM JANUARY TO
DECEMBER 2022**

Under the Business Environment Reforms: The team significantly advanced on the advisory support for horizontal improvements in the overall business environment. The review and technical inputs for reforms was informed by comprehensive consultations with public- and private-sector stakeholders on topics such as eliminating the minimum paid-in capital requirements for company registrations. In May 2022, the team further organized a reverse mission to Amman on furthering ongoing dialogue with Iraqi counterparts from the CBI through building the capacity of the credit registry department and discussing implementation support for action plans developed by the project for Central Bank of Jordan on this reform area. During the July 2022 mission in Erbil, the team organized 10 workshops and technical working groups with the GoI on the Reform Action Plan. To further inform reforms and action plans, the team completed a series of technical assessments including i) review and streamlining the time for registering a company in Iraq, and ii) Resolving Business Insolvency (which included a consultation session with Iraqi judges and regulators on reforms in the Ministry of Justice). Moreover, the Bank completed the following individual reform recommendations and action plans (including Key Performance Indicators and outcomes for respective working groups): i) dealing with Construction Permits in Iraq, ii) trading across borders, iii) getting electricity, iv) enforcing contracts, v) getting credit with emphasis on enhancing the complete credit information system within the CBI through a private bureau, vi) protecting minority investors, and vii) paying taxes in Iraq, including both regulatory and tax management. **Under the RIMP:** The team finalized the identification and consultations of 65 refugee-related businesses (40 in Kurdistan and 25 in Mosul) to identify opportunities and constrains to doing business. The team further submitted two actionable reports based on the information collected from the refugee-related firms, articulating value proposition for transacting with such firms (based on core business value proposition and the inclusion dimension) through purchasing and investment, and impact on jobs and growth. The reports demonstrate the challenges and opportunities encountered by firms, with a focus on increasing market access internally within Iraq and internationally into regional and global markets. The analysis studied the role refugee-related firms can play in growing Iraq's economy and contributing to job creation for Iraqis, refugees and IDPs, while also considering the gender gap in labor market participation rates in Iraq. Moreover, the team created company profiles for 65 refugee-related firms in a deal book format to be used as marketing tools for SMEs in Iraq, their diversified products and services, their employment and growth potential and their market size locally and/or globally. Additional need-assessments for each of the 65 refugee-related firms were finalized, which will be used as backbone data as the team selects sectors to be supported and intermediaries to be selected for capacity building and sector development purposes. **Under the Policy Priorities to Support Firm Growth:** On early-stage financing: Following need-assessments through individual consultations, the project team started one-on-one coaching of select fund managers and local angel investors in terms of investment theses, gender-lens investing, or portfolio management. The need-assessments and lessons learned from this activity were further leveraged for the Capacity Development Grant provided under the Iraq CARP project to provide technical inputs for the design of the grant for more tailor-made, advanced capacity building. The grant was launched in September 2022 and includes market development activities such as investor forums, knowledge sharing platforms, or networking events, which the Bank would finance through the ASA. The project team further completed a rapid assessment on the strategic context and key challenges for an Iraqi investment capital facility and partial credit guarantee scheme, highlighting lessons learned from WBG's early-stage investment facilitates in MENA. In May 2022, the team started the public dialogue with Iraqi authorities and private sector representatives on the proposed financing solutions for supporting Iraqi startups and MSMEs and is currently preparing technical proposals to continue the discussions. **On MSME capabilities/blended learning:** The project team finalized the quality review and assessment of the technical feasibility of over 150 available Arabic and Kurdish online training resources as a preparatory exercise for the upcoming digital Blended Learning Platform (platform to be financed and implemented through CARP). In August 2022, the comprehensive market diagnostic (through online surveys, focus group discussions, on-site visits to MSMEs) with over 250 firms was finalized to further inform the Iraq-specific curriculum of the Blended Learning component, which identified learning needs. In September 2022, the team developed a preliminary training curriculum with various learning paths (including traditional business functions, COVID-19 recovery strategies, and firm-level digitalization) to increase the beneficiary firms' resilience and growth. The blended learning activities under the project were aligned with the launch of CARP's financial schemes as the project's training activities will complement the vouchers and grants under CARP. **On Training of Trainer Activities / Upskilling of Iraqi BDS Providers:** In September 2022, the project team completed an in-depth assessment for around 50 BDS/B2B providers on select priority areas of SME support. After developing a robust evaluation methodology for the BDS providers' quality, the team already pre-qualified a set of relevant BDS providers to support Iraqi MSMEs under the Iraq CARP project.

IMPLEMENTATION CHALLENGES	Political and institutional environment challenges (limited ability to travel to Baghdad and lack of government information).
BENEFICIARIES	Key beneficiaries include Government counterparts; the private sector, including ecosystem builders and SME-focused funds; and innovative SMEs including women-led and refugee-owned firms. The project also supports women, girls, youth, displaced and the poor populations.
GEOGRAPHIC COVERAGE	National



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PILLAR 3: COORDINATION AND PROGRAM SUPPORT

3.2 Evidence and Data on Poverty, Vulnerability and Displacement

Building Evidence for Policy Making – BE activity

P CODE	PI70264
GOVERNMENT COUNTERPART	MoP, CSO, KRSO
READINESS & GOVERNMENT ENGAGEMENT	The project works closely with CSO and KRSO to provide technical assistance to the preparation of the IHSES-III survey. The team collaborated with MoP to update the poverty projections and the interim poverty map. The phone survey reports, and other analytical works are also shared with MoP, CSO and KRSO.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To help Iraq make key policy decision based on evidence by strengthening the design, implementation and targeting of reconstruction and reform interventions through data collection and analytical efforts to capture and address the needs of vulnerable and displaced populations.
BRIEF PROJECT DESCRIPTION	The BE project includes two workstreams: (i) An extended program of technical assistance and capacity building for the CSO and KRSO to implement the third round of the Iraq Household Socioeconomic Survey (IHSES III); and (ii) pilot innovative data collection methods to complement the main household survey collection. Originally, these pilot activities were planned to be introduced after the implementation of the IHSES III survey and to use the survey as a baseline. However, due to the delay in the implementation of IHSES III and the urgent data need during the COVID-19 pandemic, the activities were moved forward. Lack of a sampling frame and required infrastructure within the CSO meant the innovative phone surveys could not be implemented within the CSO during the pandemic 2020/21. Therefore, the project contracted the WFP & utilized its already existing phone survey infrastructure to collect timely information regarding the impacts of COVID-19 on individuals and businesses and, consequently, to better inform policy responses. Capacity building of the statistical offices are included in both the workstreams. Furthermore, an interim poverty map was developed and shared with the MoP/CSO to help with the governments' emergency programming.
TIMEFRAME	February 2020 – September 2023
SECTOR CONTEXT	To understand Iraq's welfare needs, and to prevent further conflict, data are required to inform policy making. Fiscal instability, poverty, unemployment, and the vulnerability of a population ravaged by war highlight the imperative for evidential understanding of socio-economic conditions, so that policy and program trajectories can be established. The 2007 and 2012 surveys were vital to establish and update Iraq-specific poverty lines and Consumer Price Index basket & national accounts. Their analyses, including the establishment of a sub-district level poverty map in 2015 and creation of targeting formula for MoLSA's SSN program, drove the first and second national Poverty Reduction Strategies, and helped Gol and WB program placement and targeting. Such analyses require on-going data renewal, including through less formal data acquisition, if they are to remain current as policy design tools. The planned Population Census in October 2020 and IHSES III in 2021 presented a great opportunity to both empirically update the Poverty Map and gather subjective data on poverty, employment, displacement, vulnerability, and perceptions of corruption and trust in institutions. However, because of COVID-19, the census was not conducted and the survey was delayed.

COMPONENTS	<p>Component 1: Technical Assistance to the CSO and KRISO</p> <p>Component 2: Data Innovation Pilots</p> <p>Note: Although the program originally had two workstreams, they provided flexibility of reorganizing to meet the current data and evidence needs. Due to delays in workstream 1 and the urgent need for data, the project switched to COVID-19 phone surveys during the pandemic which are related to workstream 2.</p>
FINANCING	I3RF: US\$1 million; Trust Fund for Statistical Capacity Building: US\$165,000; Joint Data Center: US\$68,000; Global Tax Program Multi-Donor Trust Fund: US\$100,000
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>The data and analytics from the project will allow for better design, targeting, and monitoring of government policies, as well as World Bank and other donor projects, and aims to increase the effectiveness of all development financing including the World Bank's SFD social protection programs. For instance, poverty and vulnerability analysis of COVID-19 first in 2020 and an update in 2021 incorporating the findings from the phone surveys and accounting for devaluation of the Iraqi Dinar were done jointly with the MoP and were adopted as official by the government and helped to guide its pandemic responses. The interim poverty map helped guide WB's Human capital project (CT pilot) in Kurdistan region and Basic Education Project in federal Iraq. The studies on targeting alignment between the Humanitarian MPCA program and Gol's SSN were carried out with the WB's Social Protection Support – Phase 3 project. This being the main project to monitor household wellbeing in Iraq, it also contributes to Iraq Economic Monitor (IEM), Macro-Poverty Outlooks (MPO), and Poverty and Equity Briefs (PEB). The project also provided inputs to the country's CCDR analyzing the impact of climate change on poverty and inequality. The Fiscal Incidence Analysis for Iraq using the CEQ methodology, which is currently underway, will evaluate the distributional impact of fiscal policies and may provide valuable inputs for various projects including the pension reform, Gol's PRS III and operationalization of some of the white paper reforms.</p>
LINK TO THE GOI REFORM AGENDA	<p>This project provides TA to the IHSES III survey. The multi-topic national household survey provides information on almost all aspects of household welfare and is vital to monitor key economic and governance reforms. The IHSES data combine with the analytical work such as the proposed CEQ-light will help underpin the analytical work needed for operationalization of the Gol's reform agenda. In particular, they will help bring the equity lens while reforming (i) public sector and pension under Axis 1.1, (ii) electricity and custom tariffs under Axis 1.2; and social protection under Axis 4.2.</p>
TYPE OF SUPPORT	Technical Assistance and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to improving data on gender. Iraq lacks recent data to monitor household poverty and welfare. Therefore, it also lacks recent gender-disaggregated welfare indicators, in particular, on poverty, inequality, labor market, schooling, and health. The IHSES-III, once completed, will fill some of the evidence gap related to gender in Iraq as it is designed to measure various welfare indicators by gender. The activity will strengthen the evidence-base on gender gap and inform differential impact of the pandemic. The fiscal incidence analysis using the CEQ methodology will shed light on the distributional impact of the fiscal policy by gender in Iraq.</p>
CLIMATE CHANGE & THE ENVIRONMENT	<p>The project takes climate considerations in its implementation; the project analyzed distribution impacts of climate change on poverty and inequality. The analysis was part of the inputs for the CCDR. Similarly, the IHSES III survey, which the project provides technical assistance to, will collect light-information on the impacts of climate change on livelihoods and any mitigation measures employed by households that can help understand the climate risk in the country.</p>
DIGITIZATION & E-GOVERNANCE	N/A

COVID-19 RESPONSE & IMPACT	The project contributes to the COVID-19 response. Poverty and vulnerability analysis of COVID-19 first in 2020 and an update in 2021 incorporating the findings from the phone surveys and accounting for devaluation of the Iraqi Dinar were done jointly with the MoP by building the microsimulation modeling. Nine rounds of household phone surveys and three rounds of firm surveys were implemented in collaboration with the WFP to monitor trends on socio-economic, food security, and access to services (market, health education etc.) during the pandemic. The IHSES III questionnaire is adjusted to reflect the impacts of the pandemic on various welfare dimensions of Iraqi households' welfare.
IMPLEMENTATION ARRANGEMENTS	The Poverty and Equity GP leads implementation. Many of the activities are run in conjunction with the SPJ GP. Technical assistance is provided to MoP, CSO, and KRSO.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	With the approval of the IHSES III project in 2021 to finance the implementation of the survey, this project continued its extensive technical assistance (workstream 1) to the CSO and KRSO throughout 2022. Continuing from 2021, the project provided several IT training sessions to the CSO and KRSO staff on CSPro. While the WB team gathered suggestions on the questionnaire internally from various sectoral teams and organized a virtual quality enhancement review of the questionnaire, the CSO and KRSO did the same with the line ministries. The questionnaire was shared with UN partners including WFP, UNICEF, ILO etc. for comments. A comprehensive survey questionnaire was finalized and delivered in 2022 through regular meetings (twice a week) with the CSO and KRSO. Based on the survey questionnaire, a complete survey manual was prepared and shared with the CSO and KRSO for translation. A Computer Assisted Personal Interviews (CAPI) program to implement the survey on tablets was developed. An accompanying CAPI manual was also delivered in 2022. Similarly, based on the sampling frame provided by the CSO and KRSO, a sampling strategy was developed. The team developed a form for listing operation and helped CSO with its computer programming. Support was also provided to prepare piloting of the survey, which the CSO and KRSO implemented in May 2022. The team also delivered training materials for Training of Trainers (ToT) and Training of Enumerators (ToE). A comprehensive note outlining the sampling strategy, field organization and design, and survey protocols was developed and delivered. The team organized a three-day long in-person workshop in May 9-11, 2022, in Baghdad for CSO and KRSO and worked with the CSO's IT team at MOP on May 12, 2022. A final report on the phone survey, COVID-19 Vaccine Inequities and Hesitancy in Iraq, was released in April 2022. The last three rounds of the micro-data were released through the WB micro-data library along with the previous six rounds. Two papers on SP-humanitarian targeting in Iraq were finalized in December 2021. The project also contributed to the CCDD by providing the distribution impacts of climate change.
IMPLEMENTATION CHALLENGES	While the IHSES III survey implementation by the CSO and KRSO is financed through the IHSES III RE project (PI76590), all the WB's TA for the survey is provided through this project. The survey was postponed in late 2019 by the GoI mid-way through its preparation to implement a Population Census in 2020 but with the plan that it would implement the IHSES right after the census. This project, thus, was prepared accordingly. However, the pandemic and the 2020 economic crises meant neither the census nor the survey were implemented. Now, with the protracted delay, it is vital that the CSO and KRSO use the financial resources through the IHSES III RE project and implement the survey soon. Most of the TA from the WB for the survey is completed and the project will continue to provide the rest of the TA until the end of this fiscal year. Moving forward, to continue the WB's TA to the CSO and KRSO, especially with analysis of the IHSES III data, estimating new poverty line, updating poverty indicators, developing a poverty map etc., however, will require a new line of financing.
BENEFICIARIES	All institutions wanting to contribute to evidence-based policy making, including government agencies, the international community, and civil society including academia. Indirectly, the activities benefit vulnerable groups (youth, women, IDPs, people with disabilities, and host communities in conflict areas) who are explicitly included in the surveys.
GEOGRAPHIC COVERAGE	National

Iraq Household and Socioeconomic Survey (IHSES) III – BE/RE activity

P CODE	P176590
GOVERNMENT COUNTERPART	MoP, CSO, and KRSO
READINESS & GOVERNMENT ENGAGEMENT	Following a request from MoP and CSO, this project was prepared in close collaboration with the CSO and KRSO. An already existing I3RF financed BE project "Building Evidence for Policy" supported the early preparation of the project. Consultants hired through the project supported the CSO and KRSO in preparation of required documents which facilitated the timely preparation of project, which was declared effective in March 2022. However, delays in implementation are faced due to legal obstacles. Given the significant delay so far and survey's data collection requirement of 12 months, the project will not complete within the project end date of October 31, 2023. MoP also requested to add preparation of PRS III as a BE component of the project. All the activities and the road-map of the preparation were designed in close collaboration with the MoP PRS Secretariat.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To support the GoI to collect quality data to produce poverty estimates and other key demographic and socioeconomic indicators to inform evidence-based policymaking. The project will finance the CSO and KRSO to implement the third round of the Iraq Household Socioeconomic Survey (IHSES III) and support the MoP in drafting the next PRS.
BRIEF PROJECT DESCRIPTION	The project includes two activities. First is an RE activity, which will finance the CSO and KRSO to implement the IHSES III. While the WB team provides an extensive TA for the survey through the "Building Evidence for Policy" BE project, the CSO and KRSO will implement the data collection for the national survey covering all governorates lasting 12 months to provide yearly qhada level welfare estimates and quarterly national level estimates. The second activity will support the drafting of the third national 5-year Poverty Reduction Strategy (PRS III). With the request from the PRS-Secretariat, the activity is designed as a BE activity. The activity provides process support to the PRS Technical Committee to draft the PRS III and deliver special-topic trainings to build capacity of the MoP staff.
TIMEFRAME	April 2022 – October 2023
SECTOR CONTEXT	Recurrent security crises compounded by cyclical budgetary crises in line with oil price dynamics pose a severe challenge to monitoring poverty and welfare, precisely at times when and in a context in which it is most critical in Iraq. Previous surveys, IHSES I and II implemented in 2007 and 2012, respectively, covering a period of relative peace and stability have been vital in government planning and Bank operations. For example, the second round of the survey from 2012 was used to construct a national Poverty Map at the sub-district level, which in turn was incorporated into the 2018 National Poverty Reduction Strategy. It is also being used to select sites for World Bank operations, and by SFD. The existing data, however, dates back to 2012, and Iraq needs a robust statistics program and to update surveys and censuses. The last Iraqi population census was conducted in 1997 but without the governorates in KRI. Because of COVID-19, the planned Population Census in late 2020 and the IHSES III were postponed further. According to the World Bank's Statistical Capacity Indicator (SCI), Iraq scored 34.4 and 36.7 out of 100 in 2019 and 2020. While the implementation of the fourth Iraq Multiple Indicator Cluster Survey (MICS) in 2018, second I-WISH in 2021, and the first Labor Force Survey (LFS) in 2021 are steps in the right direction, there is an urgent need to implement a comprehensive household wellbeing survey to guide policies and programs given the significant changes since 2012.

COMPONENTS	<p>Component 1. IHSES III Iraq CSO</p> <p>Component 2. IHSES III Kurdistan-Iraq KRSO</p> <p>Component 3. Support preparation of the third Poverty Reduction Strategy (PRS-III)</p>
FINANCING	I3RF: US\$4.97 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The data will allow for better design, targeting, and monitoring of government projects and programs, and WB and other donor projects, and aims to increase the effectiveness of all other development financing including the World Bank's SFD and other social protection TAs. Similarly, the data will be vital to update the targeting formula for MoLSA's CT program.
LINK TO THE GOI REFORM AGENDA	The multi-topic national household survey provides information on almost all aspects of household welfare and is vital in monitoring the key economic and governance reforms. The activity will directly underpin some of the analytical work needed to operationalize the GoI's reform agenda. In particular, the data will be important in analyzing the distributional consequences and, thus, helping operationalize: (i) public sector and pension reforms under Axis 1.1 (rationalizing expenditures); (ii) electricity and custom tariffs under Axis 1.2 (enhancing revenues and improving cash flow); (iii) identify the gaps between supply and demand in Iraq's labor market under Axis 2.6 (human development and setting up a national strategy for education and training) and access to schooling under Axis 4.4 (implementing school construction plan); (iv) establishing targeting criteria to reach the poorest and most vulnerable groups and gradual transition from ration card to cash assistance under Axis 4.2 (redraw the social protection system completely, and standardize the different types of support); and (v) Next poverty strategy will evaluate the current PRS 2018-2022 and re-diagnose poverty and wellbeing, and draft the strategy based on the national priorities including the reform agenda.
TYPE OF SUPPORT	Technical Assistance and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to improving data on gender. Iraq lacks recent data to monitor household poverty and welfare. Therefore, it also lacks recent gender-disaggregated welfare indicators, in particular, on poverty, inequality, labor market, schooling, health etc. The IHSES-III, once completed, will fill many of the evidence gap related to gender in Iraq. The survey is designed to measure various welfare indicators by gender. Therefore, the activity will strengthen the evidence-base on gender gap and inform differential impact of the pandemic. Furthermore, the data will allow an analytical focus on barriers and possible solutions to female economic empowerment, a priority for PRS-2, which will directly inform the preparation of the PRS-3.
CLIMATE CHANGE & THE ENVIRONMENT	The survey will collect light-information on the impacts of climate change on livelihoods and mitigation measures, and aid understanding of potential impacts of climate change on Iraqi households and communities.
DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	The IHSES III questionnaire is adjusted to reflect the impacts of the pandemic on various welfare dimensions for Iraqi households' welfare. Therefore, the data can facilitate to underpin some of the analytics related to the impacts of the pandemic.
IMPLEMENTATION ARRANGEMENTS	The CSO and KRSO are the implementing partners for the IHSES-III data collection and the PRS-Secretariat is responsible for drafting the next PRS. The Poverty and Equity GP leads the project for the Bank and Social Protection GP provides close cross-support.

KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	<p>The project aims to support the GoI to collect quality data to produce poverty estimates and other key demographic and socioeconomic indicators to inform evidence-based policymaking. Once the IHSES III survey is completed, it will help fill the current data gap that will be important in designing, targeting and monitoring of the government and the Bank activities including supporting the analytics needed to operationalize the GoI's White Paper reform agenda through the poverty and equity lens. The formal results from the project, thus, will be realized once the data collection is completed and the government and other institutions start utilizing it. The project, however, has taken important steps and achieved several intermediate outcomes. The GoI signed the Grant Agreement in December 2021. The project became effective in March 2022 after the signing of the subsidiary agreement between the MoF and the KRG MoP, and the issuance of a legal opinion. Both the CSO and KRSO PMTs have opened Designated Accounts. The Authorized Signatories Letter (ASL) for component 1 (CSO) was issued in April 2022. As per the disbursement conditions, the CSO contracted a FM and procurement consultants in May 2022 to support both the PMTs and an advance payment of US\$1 million was disbursed to the CSO in June 2022. The Authorized Signatories Letter for KRSO is not yet issued. Both the PMTs, however, had taken important steps to procure tablets and other goods needed for the survey and hire 182 enumerators (148 by CSO and 34 by KRSO) and 91 field supervisors (74 by CSO and 17 by KRSO). The WB provided extensive support throughout. To facilitate the process, the World Bank also organized a four-day long financial management and procurement training Workshop in August 2022. During the mission in July 2020, the PMTs had agreed with the timeline of completing the procurement by August 2022, Training of Trainers in late August, Training of Enumerators in September, and starting the survey in October 2022. As per component 3 of the project i.e., PRS III preparation, a roadmap of the PRS III preparation was drafted and agreed in May 2022. A technical training workshop on the concept and measurement of poverty was delivered to MoP staff in June 2022 in Erbil. A PRS III preparation kick-off workshop was organized in July 2022 in Erbil that was chaired by the H.E. Minister of Planning. The team continued its support and organised a four-day long process workshop from November 12 to 15, 2022, in Erbil. The workshop reviewed the principles for strategy formulation considering lessons learned from PRS I and II, defined overall priorities, role and scope of PRS III, and defined plans for its creation. The workshop concluded with agreeing on a comprehensive action plan of activities to take place before the next workshop planned for January 2023.</p>
IMPLEMENTATION CHALLENGES	<p>The Technical preparation of the survey is in advance stage. With the completion of trainings for master trainers and for enumerators, the survey will be ready for listing operation and data collection. However, the RE component of the project has been on hold since July 2022, as it continues to face delays in implementation due to legal challenges. Due to this protracted delay in implementation, the project will not complete by the planned end date of October 2023.</p>
BENEFICIARIES	<p>The direct beneficiaries of this project are the MoP, CSO, and KRSO. However, the final anonymized micro-data will be published for public use, and hence, all users including government, donors and development partners, academia, civil society, and non-governmental organizations interested in the data, will benefit from the project. Indirectly, the activities operate to the benefit of all vulnerable groups of interest (youth, women, IDPs, people with disabilities, and host communities in conflict areas) who are explicitly included in the surveys.</p>
GEOGRAPHIC COVERAGE	<p>National level - the survey covers all governorates, and PRS III is the Government strategy for all of Iraq.</p>

3.3 ENHANCED SUPERVISION, FIDUCIARY AND RISK MANAGEMENT

Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent) – BE activities

P CODE	PI74339
GOVERNMENT COUNTERPART	Task 1 (Third Party Monitoring Agent): MoP Public Contracting Directorate (PCD); MoCHMPW, Roads and Bridges Directorate, MoE, MoWR, Ministry of Health, Ministry of Transport, Nineveh Governorate, Salah El Din Governorate, Anbar Governorate, Diyala Governorate. Task 2 (Fiduciary Capacity Building Program): MoP PCD, MoF Public Debt Directorate, and Iraqi Union of Accounting and Auditing.
READINESS & GOVERNMENT ENGAGEMENT	Task 1. The WB contracted the TPMA which is responsible for contract implementation, monitoring, and annual evaluation. The TPMA has fully mobilized a team of experts as required in the Terms of Reference since June 2020, and is coordinating with government counterparts to perform its task on the ground. Findings from TPMA activities are reported directly to the government counterparts to inform corrective measures, where necessary. Task 2. Project objectives and scope have been agreed with government counterparts and the capacity building program has been launched.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	Increased fiduciary and technical oversight for World Bank financed projects in hard-to-access areas and strengthening the fiduciary capacity to manage public funds with efficiency and integrity in Iraq.
BRIEF PROJECT DESCRIPTION	Task 1. Will ensure funds for WB financed projects are used for their intended purposes as specified in loan/grant agreements and comply with the applicable fiduciary and safeguards regulations. This task will assist key implementing agencies of WB financed projects in Iraq to enhance their fiduciary knowledge and their monitoring capacity of different stakeholders. Task 2. Will build the fiduciary capacity of stakeholders involved in the implementation of Bank-financed projects in public procurement and financial management to ensure efficient and effective utilization of Iraq's resources. This will be achieved through on-the-job learning, training, and workshops under two umbrellas 1) the procurement capacity building program, and 2) the financial management capacity building program. This task also includes assessing and supporting sustainable capacity building towards professionalization through Iraq's universities.
TIMEFRAME	June 2020 – June 2023
SECTOR CONTEXT	As part of its fiduciary responsibility, the Bank is required to "make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan/grant was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations". Due to limited capacity of the implementing agencies in planning, procurement, financial management, and safeguards requirements, as well as a lack of transparency and accountability, the fiduciary risk of most of Iraq's projects has been identified as "high". To provide fiduciary assurance regarding the Gov's use of funds proceeds and maximize the "value for money" of financed programs/projects, the Bank (1) hired a TPMA to support the Bank's Task Teams to fulfil their monitoring and supervision obligations in areas where Bank staff are unable to access project sites (Task 1); and (2) will design and deliver a capacity building program to strengthen and develop the capacity of implementing agencies in the public sector and business community in procurement and financial management, and support the development of a sustainable Public Procurement Capacity Building strategy towards professionalization (Task 2).

COMPONENTS	<p>Task 1. Third-Party Monitoring Agent</p> <p>Task 2. Fiduciary Capacity Building Program: (i) Sub-Task 1: Procurement Capacity Building Program; and (ii) Sub-Task 2: Financial Management Capacity Building Program</p>
FINANCING	I3RF: US\$4.3 Million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>Task 1. The TPMA is programmatic across the Iraq portfolio, and covers three projects - the EODP, SFD, and the Iraq COVID-19 Vaccination Project, and it will cover I3RF- financed projects. Task 2. This task complements the current governance engagements, specifically the main two projects: (1) The Strengthening Public Financial Management Oversight and Accountability Institutions in Iraq project funded by the EU, which aims to strengthen institutions and mechanisms of fiscal accountability and oversight at federal and regional levels; and (2) The Modernization of Public Financial Management Systems Project, which seeks to improve financial information management and transparency, cash management, and public investment management at selected federal and regional agencies.</p>
LINK TO THE GOI REFORM AGENDA	Meets the White Paper requirements to develop governance/legal and administrative environments, to empower institutions and individuals to implement the required reform and then ensure higher levels of efficiency, transparency, and accountability in the management of public investments and Public Procurement Contracts.
TYPE OF SUPPORT	Technical Assistance
GENDER EQUALITY & WOMEN EMPOWERMENT	The project takes into consideration the economic empowerment of women and girls. The TPMA uses locally based field staff and provincial offices mostly located in Baghdad. The TPMA's team has two women on board to interact more comfortably with women beneficiaries. The capacity building programs will focus on including women participants and promoting their vital role in procurement and financial management.
CLIMATE CHANGE & THE ENVIRONMENT	N/A
DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	<p>Task 1. The World Bank team contracted the Jordanian firm "Interdisciplinary Research Consultants" (ID:RC) to set the scope of Third-Party Monitoring. The Bank Task Team is responsible for contract implementation, monitoring, and annual evaluation. ID:RC has deployed a team of experts as required in their ToR of June 2020. The TPMA's team coordinates with government counterparts for efficient monitoring and reporting. Task 2. This task will be implemented directly by World Bank procurement and financial management specialists, in close collaboration with government counterparts. International Training Center of the International Labor Organization (ITC-ILO) in Turin was contracted to deliver certificate training courses to public officials on procurement and financial management.</p>

KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	Task 1. The TPMA is engaged to cover Iraq's portfolio which includes the I3RF. The TPMA has been providing extensive support to the WB's Task Team to see that funds are used as per Loan/Grant Agreements. This tool is one among several to strengthen supervision and implementation support and transmits a clear picture from the ground on the progress of contracts; this helps to improve engagement between the Government and citizens by transmitting feedback and complaints from citizens, and ensure efficient monitoring and support by the WB Task Team. Task 2. Implementation was launched after being delayed for over two years due to COVID-19. Four Training courses on procurement and financial management were delivered to public officials, contributing to enhanced fiduciary capacity, and collaboration is ongoing with MoP PCD to develop a sustainable capacity building strategy for public procurement.
IMPLEMENTATION CHALLENGES	N/A
BENEFICIARIES	Relevant government stakeholders with special consideration of women/girls, and youth.
GEOGRAPHIC COVERAGE	Task 1. (i) Baghdad; (ii) Salah El Din Governorate; (iii) Anbar Governorate; (iv) Diyala Governorate; (v) Nineveh Governorate; (vi) Al Muthana; and (vii) Duhok. Task 2: (i) Baghdad; (ii) Basra; and (iii) KRI

3.4 PEACEBUILDING AND CITIZEN ENGAGEMENT

Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction – BE activity

P CODE	PI73326
GOVERNMENT COUNTERPART	MoP
READINESS & GOVERNMENT ENGAGEMENT	The ASA supports different projects in the I3RF portfolio and as such is not related to a specific Gol counterpart.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To improve the effectiveness of WB engagement on reform, recovery and reconstruction in Iraq by integrating peacebuilding, governance and social inclusion into policy dialogue and selected operations through hands-on advisory and analytical support.
BRIEF PROJECT DESCRIPTION	The project will operationalize the I3RF Priority Area #3.4 "Peacebuilding and citizen engagement." In order to achieve the development objective, it is structured around three components, each containing several deliverables: 1) deepening understanding of FCV risk dynamics; 2) operationalizing a "Peace, Governance and Inclusion lens" to integrate peacebuilding, governance/political economy and inclusion issues in the portfolio; and 3) piloting and mainstreaming citizen engagement approaches.
TIMEFRAME	February 2021 – January 2023
SECTOR CONTEXT	The WB portfolio in Iraq is among the largest in all countries on the list of Fragile and Conflict-affected Situations. It comprises US\$2.06 billion of IBRD Investment Project Financing (IPF) projects and a series of ASAs and forthcoming operations financed under the I3RF. The World Bank's engagement is diversified geographically and across sectors but focuses on supporting the implementation of the government's reform agenda (notably via the I3RF). A FY2022-FY2026 Country Partnership Framework has been prepared and emphasizes the need to adapt to the difficult context and high levels of fragility through the adoption of a Peace and Governance lens and a Citizen Engagement Roadmap. This programmatic ASA aims to enhance the effectiveness of World Bank engagement in support of reform, recovery and reconstruction in Iraq by improving the country team's knowledge of FCV risk dynamics and by integrating peacebuilding, governance and social inclusion into selected operations and policy dialogue. This ASA is also aligned with the "Building for Peace" flagship report: the proposed activities aim to better understand local dynamics and actors, and to inform context-specific and area-based approaches for reconstruction. As such, it will provide an important vehicle for findings and recommendations from the report, notably a shift from simply "rebuilding the past" to addressing existing grievances and potential factors contributing to fragility. In addition, this ASA will support a key priority under the new World Bank Group's FCV strategy 2020-2025.
COMPONENTS	<p>Component 1: Deepening FCV situational understanding for improved policy dialogue and operational engagement</p> <p>Component 2: Enhancing peacebuilding, governance and social inclusion dividends of reform, recovery and reconstruction programs ("Peace, Governance & Inclusion Lens")</p> <p>Component 3: Piloting and Mainstreaming Citizen Engagement Approaches on operations and with communities</p>

FINANCING	I3RF: US\$1.2 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>The peace lens will share the framework with one of the following projects: (i) Protecting and Promoting Human Capital in Iraq; (ii) Iraq Human Capital Review (HCR) ASA; and (iii) Iraq Human Capital Recovery Project (HCRP) pipeline Investment Project Financing with PBCs</p> <p>The citizen engagement team are supporting: (i) Iraq Emergency Operation for Development; (ii) Iraq Transport Corridors Project; (iii) Iraq Climate Change and Development Report; and (iv) Iraq Digital Government Readiness Assessment.</p>
LINK TO THE GOI REFORM AGENDA	The Governance, Inclusion and Peace which includes political economy analysis, provided by the project under component 2, provides needed insights to support the effectiveness of the implementation of the reform agenda by highlighting challenges, risks, and bottlenecks. Under the White Paper's commitment to improve government performance, Component 3 activities are geared towards providing support for local community participation in implementing programs and making use of international expertise in the area of governance.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to improving data on gender. Component 1 will provide an enhanced understanding of the disparities that exist between men and women, and boys and girls in Iraq. The dashboard will host a number of datasets that will contain gender disaggregation's wherever possible, as a key lens for the user to examine the data through. Gender disaggregated data will not only feature for indicators that measure risk, but will also be displayed as part of the portfolio mapping (i.e., beneficiary numbers that will be disaggregated by gender). It is only through a thorough understanding of the disparities that exist, that programming can be designed to address these gaps. Component 2 will factor gender balance issues and inclusion into Governance, Inclusion and Peace analysis, which includes political economy analysis, in support of WB ongoing and future operations. The Governance, Inclusion and Peacebuilding lens (GIPL) highlighted that discrimination against women, minorities, and vulnerable groups, including IDPs, is a pervasive challenge in Iraqi society, contributing to dynamics of exclusion and social tension. This is why the GIPL lens gave high importance to identifying these dimensions in its analysis. Component 3 has provided data on women's experience of climate change in Iraq and will consider issues of gender equality and women's empowerment during an ongoing civil society mapping exercise.
CLIMATE CHANGE & THE ENVIRONMENT	The project contributes to climate mitigation and climate adaptation. Under component 1, climate-induced forms of FCV – for instance droughts that lead to unrest – will be included in the regular monitoring of risks. In addition, a number of key climate indicators will be available on the dashboard platform. For instance, data pertaining to drought risk and to land use will feed into at the least the pilot stage of the dashboard. This will help to design climate-sensitive interventions. Component 2 has included in its framework the underlying climate change factors in its analysis. The GIPL lens emphasized that climate change is increasingly becoming a major issue in Iraq. In addition to sandstorms increasing in frequency and intensity, and increased temperatures, it is also notable that water scarcity has a significant and further growing impact on Iraqi society on virtually all levels of social and political life. Hence, the GIPL has included this dimension in its framework of analysis in support of WB ongoing and future operations. Under component 3, the team is engaging with the CCDR process to provide support to and enhance its consultations with stakeholders, including civil society on climate change and environment issues. This indirectly contributes to the WBG's efforts to support Iraq's NDCs.
DIGITIZATION & E-GOVERNANCE	N/A
COVID-19 RESPONSE & IMPACT	The conflict monitoring work was launched along with a global effort to pilot COVID-19 unrest and conflict monitoring systems in six countries including Iraq. While the global pilot projects are now closed, the Iraq system is still active. The dashboard being developed as part of component 1 will include key data-points related to COVID-19 (i.e., cases, deaths, vaccinations). Ongoing peacebuilding analysis takes into account the impacts of COVID-19 in the FCV context.

IMPLEMENTATION ARRANGEMENTS	FCV Group (a Global Theme) leads, and collaborates with Governance and Social Sustainability & Inclusion GPs.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2022	The ASA has achieved multidimensional activities throughout the year 2022. The risk briefings and the online dashboard have incorporated data and information in order to understand changing situations and key takeaways, and feed operational needs. On the GIPL lens, the team has prepared and delivered a guidance note which includes the GIPL methodology and frameworks of analysis, the GIPL questionnaire, the process through which the GIPL questionnaire will be filled. The team has also produced a PowerPoint presentation for task teams which provides an overview of the GIPL, the GIPL design, which includes: (1) the coverage, risks and drivers; (2) Methodology: response fields, (3) Process: when and how to apply the lens; and (4) Knowledge: learnings and knowledge sharing. The PPT also highlights key success factors for such lenses and the structure of the guidance note. The GIPL team has also launched its analysis by piloting the GIPL framework on one of the I3RF projects to test its readiness and to evaluate the added value it brings to task teams. The citizen engagement part includes: i) Rolling technical support aimed at enhanced Citizen Engagement practices among select Bank task teams (Iraq CCDR, EODP, TCP); ii) In-person consultations with oil workers, agricultural workers and women's groups (delivered March 2022); iii) Iraq Rapid Citizen's Climate Change Survey (a pilot initiative implemented using geo-targeting via Social Media; delivered June 2022); and iv) Robust progress on NGO Mapping and Citizen Engagement Framework (to be delivered December 2022).
IMPLEMENTATION CHALLENGES	N/A
BENEFICIARIES	WB project teams, select Iraqi civil society organizations and government entities
GEOGRAPHIC COVERAGE	National



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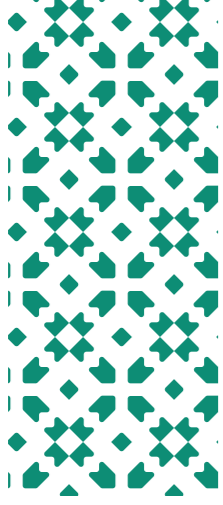


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