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Report No: PP5074

PROJECT PAPER  
ON A  
PROPOSED GRANT  
IN THE AMOUNT OF  
US\$4.2 MILLION  
TO THE  
REPUBLIC OF IRAQ  
FOR  
IRAQ SOCIAL SAFETY NET STRENGTHENING PROGRAM

November 15, 2022

Social Protection and Jobs Global Practice  
Middle East and North Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective September 30, 2022)

Currency Unit = Iraqi Dinars

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US\$1 = IQD1,459.513

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## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

CD	Compact Disc
CPF	Country Partnership Framework
CTP	Cash Transfer Program
DA	Designated Account
ESF	Environmental and Social Framework
ESS	Environmental and Social Standards
FM	Financial Management
GM	Grievance Mechanism
GOI	Government of Iraq
GRS	Grievance Redress Service
I3RF	Iraq Reform, Recovery and Reconstruction Fund
ICT	Information and Communication Technology
IDP	Internally Displaced Person
IFR	Interim Financial Report
ILO	International Labour Organization
IPF	Investment Project Financing
ISIS	Islamic State of Iran and Syria
MIS	Management Information System
M&E	Monitoring and Evaluation
MOLSA	Ministry of Labor and Social Affairs
MOP	Ministry of Planning
NSR	National Single Registry
PDO	Project Development Objective
PDS	Public Distribution System
POM	Project Operational Manual
PMT	Proxy-Means Test
PMU	Project Management Unit
PPSD	Project Procurement Strategy for Development
SPC	Social Protection Commission

SPS	Social Protection System
SPSP	Social Protection Support Program
SSN	Social Safety Net
UNICEF	United Nations Children's Fund
USB	Universal Serial Bus
WBG	World Bank Group
WFP	World Food Programme

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# IRAQ SOCIAL SAFETY NET STRENGTHENING PROGRAM

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**BASIC INFORMATION**

Is this a regionally tagged project? No		Country (ies)
Financing Instrument Investment Project Financing		Classification Small Grants
Approval Date 15-Nov-2022	Closing Date 31-Oct-2023	Environmental and Social Risk Classification Moderate
Approval Authority CDA	Bank/IFC Collaboration No	

Please Explain

**Proposed Development Objective(s)**

The project seeks to improve the effectiveness and efficiency of the Ministry of Labor and Social Affairs' (MOLSA) programs through (i) modernizing and strengthening the Cash Transfer Program's delivery systems; and (ii) establishing a MOLSA social registry that would be integrated into the National Single Registry.

**Components**

Component Name	Cost (USD Million)
Strengthening the building blocks of MOLSA's programs with a focus on the CTP system and the development of MOLSA's Social Registry	4,000,000.00
Project Management and Monitoring	200,000.00

**Organizations**

Borrower : Republic of Iraq



Implementing Agency : Ministry of Labor and Social Affairs (MOLSA)-Social Protection Commission

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

Total Project Cost	4.20
Total Financing	4.20
Financing Gap	0.00

**DETAILS**

**Non-World Bank Group Financing**

Trust Funds	4.20
Reform and Reconstruction in Iraq MDTF	4.20

**Expected Disbursements (in USD Million)**

Fiscal Year	2023	2024
Annual	1.40	2.80
Cumulative	1.40	4.20

**INSTITUTIONAL DATA**

**Financing & Implementation Modalities**

**Situations of Urgent Need of Assistance or Capacity Constraints**

Fragile State(s)    
  Fragile within a non-fragile Country    
  Small State(s)    
  Conflict    
  Responding to Natural or Man-made Disaster



**Other Situations**

- Financial Intermediaries (FI)
- Performance-Based Conditions (PBCs)
- Alternative Procurement Arrangements (APA)
- Series of Projects (SOP)
- Contingent Emergency Response Component (CERC)
- Hands-on Expanded Implementation Support (HEIS)

**Practice Area (Lead)**

Social Protection & Jobs

**Contributing Practice Areas**

**OVERALL RISK RATING**

Risk Category	Rating
Overall	● Substantial

**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

- Yes  No

Does the project require any waivers of Bank policies?

- Yes  No



**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

<b>E &amp; S Standards</b>	<b>Relevance</b>
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

**Legal Covenants**

Sections and Description

Article 2- Part 2 - 2.06 The Recipient shall ensure that each Project Report is furnished to the Bank not later than one month after each calendar semester, covering the calendar semester.

**Conditions**

Type	Financing source	Description
Disbursement	Trust Funds	Article III- Section 3.02- Notwithstanding the provisions of Section 3.01 of the Grant Agreement, no withdrawal shall be made: (a) for payments made prior to the date of the Agreement;





		and (b) for payments under Category (1) of the Project until the Recipient, through MOLSA, has designated a financial management consultant, with terms of reference, qualifications and experience (including the allocation of appropriate resources) in accordance with the provisions of the POM and satisfactory to the Bank.
Type	Financing source	Description
Effectiveness	Trust Funds	Article IV- section 4.01: Evidence satisfactory has been furnished to the Bank that the execution and delivery of the Grant Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental actions

**PROJECT TEAM**

**Bank Staff**

Name	Role	Specialization	Unit
Haleem Hassan Kashkol Al-Kazali	Team Leader(ADM Responsible)		HMNSP
Khalid Ahmed Ali Moheyddeen	Team Leader		HMNSP
Leena Mohammed Khider Al Abbasy	Procurement Specialist(ADM Responsible)		EMNRU
Hawazin Kais Hameed Al-Duri	Financial Management Specialist(ADM Responsible)		EMNGU
Ahmed Hassoon Ali Al-Saedi	Environmental Specialist(ADM Responsible)		SMNEN
Lelav Ahmed Amedi	Social Specialist(ADM Responsible)		SMNSO
Ammar Jameel Hussein Al Bayati	Team Member		HMNSP
Daria Goldstein	Counsel		LEGAM
Jamal Abdulrasool Ghaeb	Team Member		HMNSP



Bilal			
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Mustafa Kadhim Mohammed Al-Misstaf	Team Member		HMNSP
Rania Atieh	Team Member		HMNSP
Sara Hariz	Team Member		HMNSP
Waleska Magalhaes Pedrosa	Team Member	Legal Analyst	LEGAM
Extended Team			
Name	Title	Organization	Location



## I. STRATEGIC CONTEXT

### A. Country Context

1. **Even before the COVID-19 pandemic, poverty and vulnerability had risen in Iraq.** In 2018, 20 percent of Iraq's population was considered poor, with a stark variation of up to 30 percent poverty rate in the northern and southern governorates, while another one-fifth was considered near-poor.<sup>1</sup> About 2.8 million people were impoverished due to the conflict between the Islamic State of Iran and Syria (ISIS),<sup>2</sup> with 1.4 million internally displaced persons (IDPs) suffering from further vulnerability.<sup>3</sup> **Among the IDP population in Iraq, 11% of households are headed by women.** For IDPs who reside out of camp, the percentage is slightly higher at 15%.<sup>4</sup> While oil prices have recovered from the historically low levels of 2016 and the fight against ISIS was concluded, Iraq's multifaceted fragility continues to leave the country vulnerable to shocks, violence, and instability.

2. **The pandemic only deepened and widened poverty and eroded the country's already modest human capital gains.** While one out of five Iraqi children was already impoverished before the pandemic, it is estimated that this number will have doubled to two in five children in 2021.<sup>5</sup> This was mainly driven by the loss of livelihoods and reduced wages by the hike in food prices. In 2021, it was estimated that unemployment climbed more than 10 percentage points over its pre-COVID-19 pandemic level of 12.7 percent.<sup>6</sup> Income loss has affected school enrollment, nutrition, and children's development as households resorted to negative mechanisms to cope with the crises.<sup>7</sup> The pandemic had disproportionately impacted vulnerable groups, specifically impacted women and IDPs, in accessing and maintaining economic opportunities. Cases of domestic violence also increased which put the most vulnerable groups at highest risk, according to UNDP.<sup>8</sup>

3. **The pandemic also revealed the weak adaptive capacity of the social protection system (SPS) in responding to shocks and building household resilience.** Adaptive systems invest in households' capacity to prepare for, cope with, and adapt to shocks by protecting their well-being and ensuring that they do

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<sup>1</sup> Sharma, Dhiraj, Matthew Grant Wai-Poi. 2019. *Arrested Development: Conflict, Displacement, and Welfare in Iraq: Arrested Development - Conflict Displacement and Welfare in Iraq (English)*. Washington, DC: World Bank Group. Link [here](#).

<sup>2</sup> World Bank calculations - 2017.

<sup>3</sup> Data taken from the Displacement Tracking Matrix (DTM) dataset, Round 114, published by the International Organization for Migration, covering the months of January and February 2020 and accessed in March, 2020.

<sup>4</sup> REACH MCNA Dataset, 2021. (<https://data.humdata.org/dataset/reach-iraq-multi-cluster-needs-assessment-round-ix-2021>)

<sup>5</sup> Lokendra Phadera, et al. "Assessing COVID-19 Impact on Poverty and Vulnerability in Iraq." UNICEF and the World Bank, publication date July, 2020.

<sup>6</sup> *ibid.*

<sup>7</sup> *ibid.*

<sup>8</sup> UNDP, *Sustainable Recovery from COVID 19 in Iraq* <https://undp-iraq.shorthandstories.com/seia/index.html>



not fall into poverty or become trapped in poverty due to the impacts of shocks.<sup>9</sup> This is done through the system’s building blocks of various programs—social safety nets (SSNs), social insurance, and labor market programs—supported by policies that guide such programs and delivery systems.<sup>10</sup> The system runs serious administrative inefficiencies due to parallel application and registration processes on the demand side and parallel beneficiary management systems on the supply side. Additionally, programs have low coverage either due to budget constraints, as in the case of the flagship Cash Transfer Program (CTP) of the Ministry of Labor and Social Affairs (MOLSA) (annexes 1 and 2 explain the CTP processes, verification, and flow), or because households who are otherwise eligible for certain benefits and services are not considered for inclusion due to low outreach, difficulty in registration, and the absence of an inclusive and effective case management system, where referrals are lacking and programs run in silos.

4. **Given the urgent need to improve the Iraqi SPS system performance and adaptive capacity to respond to shocks and tackle the impacts of the COVID-19 pandemic, this project is a way to respond to the current situation.** It will be processed under Projects in Situations of Urgent Need of Assistance or Capacity Constraints. Triggering paragraph 12 is justified, given the challenges the SPS faces in responding to cumulative crises Iraq has been facing, including the recent COVID-19 pandemic.<sup>11</sup> Studies show that COVID-19 hindered women’s livelihood and access to economic opportunities.<sup>12</sup> MOLSA will be able to reach out to recently impoverished households swiftly and include them for coverage in multiple social assistance programs provided by the Government of Iraq (GOI) as well as other development partners, including donors and United Nations (UN) agencies, by introducing urgently needed information and communication technology (ICT) system upgrades at the central and field levels.

## B. Sectoral and Institutional Context

5. **Iraq has introduced extensive SPS reforms in recent years, but these have not been transformative nor sufficient to strengthen its capacity.** In 2014, at the policy level, a new Social Protection Law came in to provide the legal framework and institutional arrangements necessary to support these reforms. Chief among these was the establishment of the Social Protection Commission (SPC) with the mandate to implement the new law and carry out the reforms. These reforms were further prioritized in the GOI 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 the key priorities for the 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 the reform of the public distribution system (PDS), as it entails significant costs

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<sup>9</sup> Bowen, Thomas, Carlo del Ninno, Colin Andrews, Sarah Coll-Black, Ugo Gentilini, Kelly Johnson, Yasuhiro Kawasoe, Adea Kryeziu, Barry Maher, and Asha Williams. *Adaptive Social Protection: Building Resilience to Shocks*. International Development in Focus. Washington, DC: World Bank Group.

<sup>10</sup>ibid.

<sup>11</sup> The project is being processed under Section III, Paragraph 12 of the Bank Policy: Investment Project Financing (Projects in Situations of Urgent Need of Assistance or Capacity Constraints).

<sup>12</sup> UNESCWA <https://publications.unescwa.org/projects/icwi/sdgs/pdf/studies-iraq/study-2.pdf>



and inefficiencies associated with its universality, thereby diverting resources away from the poor. Finally, the White Paper proposes improvements to the CTP, particularly its coverage and outreach to the poor.

6. **Currently, the Iraqi SPS encompasses programs that suffer from efficiency and effectiveness challenges, rendering its impact on poverty and vulnerability limited.** While the GOI has several programs to support the poor and vulnerable, there has not been a comprehensive approach to help individuals and households beyond cash assistance. Additionally, each of these programs has its own applicants' database or registry for consideration to be included in the program. Using multiple social registries as separate program gateways has drawbacks and adverse effects at various levels.<sup>13</sup> For poor and vulnerable Iraqi households, working through the numerous programs' requirements can be frustrating and costly, especially if the information and required documentation are similar. For MOLSA, parallel processes across various programs, sometimes supporting similar intended populations, are costly and inefficient, particularly for intake and registration processes that translate into duplicated efforts and resources.

7. **The SPS is also supported by delivery systems that are underdeveloped, particularly in terms of ICT.** Adaptive SPS are typically supported by advanced social registries that play a crucial role in providing necessary information to operate programs, such as the information base for building resilience and scaling up after a shock. By including key indicators related to shocks, social registries allow for expanding coverage within high-risk areas, enabling more frequent updating and ensuring that the data contained in registries are useful in the assessment of household vulnerability to shocks.<sup>14</sup> For example, small tweaks in the data collected through the proxy-means test (PMT) for assessing eligibility, such as data on households that work in agriculture and are vulnerable to the impact of floods and drought, can enable more straightforward and accurate estimation not only of households in chronic poverty but also those vulnerable to shocks and their capacity to cope, especially women as they constitute 50 percent of the agribusiness work (CPF 2021).<sup>15</sup>

8. **With financing from the Iraq Reform, Recovery and Reconstruction Fund (IRRF) through the Iraq Social Protection Support Program (SPSP, P171639), the World Bank and MOLSA/SPC worked on assessing the existing information system and ICT workforce supporting the SPS.** The assessment found that the underlying IT supporting the SPS suffers from multiple shortcomings in terms of outdated software and hardware, quality of data, inconsistent semantics, and identifiers across the databases. Data security and the limited technical capacity of the IT staff managing the information system were also among the issues flagged by the assessment. In sum, the assessment revealed the urgent need for ICT infrastructure upgrades, including cleaning and upgrading existing databases and servers and building IT

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<sup>13</sup> Leite, Phillippe, Tina George, Changqing Sun, Theresa Jones, and Kathy Lindert. 2017. "Social Registries for Social Assistance and Beyond: A Guidance Note and Assessment Tool." Social Protection & Labor Discussion Paper No. 1704. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/28284>.

<sup>14</sup> Bowen, Thomas, Carlo del Ninno, Colin Andrews, Sarah Coll-Black, Ugo Gentilini, Kelly Johnson, Yasuhiro Kawasoe, Adea Kryeziu, Barry Maher, and Asha Williams. *Adaptive Social Protection: Building Resilience to Shocks*. International Development in Focus Washington, DC: World Bank Group.

<sup>15</sup> Ibid.



teams' capacity to enhance cybersecurity, among other training needs.<sup>16</sup> The GOI White Paper helped validate these findings and call for addressing these challenges.<sup>17</sup>

### C. Higher Level Objectives to which the Project Contributes

9. **The project is directly linked to the SPS reform vision as stipulated by the Social Protection Law of 2014 and the recent GOI White Paper, which sets forth priority reforms to be addressed.** The Government's White Paper focuses on the consolidation of systems, particularly registration systems and beneficiaries' databases, as well as the improvement of service delivery. The proposed project is a continuation of the work under the I3RF-funded SPSP and includes financing of needed investments. The SPSP was used to start this effort, and this whole work was identified during the assessments and capacity-building activities that were implemented under the I3RF-financed SPSP.

10. **The proposed project is aligned with the strategic objectives of the World Bank Group (WBG) and with the new Global Crisis Response Framework (GCRF).** By supporting the development of a resilient, integrated SSN, the project aligns with the WBG's twin goals of eliminating extreme poverty and boosting shared prosperity in a sustainable manner, as well as with its response to the global food crises. By enhancing the current CTP, the project may curb the need of poor households to resort to negative coping mechanisms such as withdrawing children from schools and, therefore, protect human capital gains—the second strategic area of World Bank assistance to the Middle East and North Africa as identified by the Middle East and North Africa Strategy. The project is also in line with the World Bank's Gender Strategy (FY16–23) on improving human endowment, which is one of the strategic objectives of the Gender Strategy. Female-headed households constitute 35 percent of the beneficiary households of the CTP. These households will benefit from the improved services and referral system introduced through the project. Moreover, strengthening the MOLSA capacity to support poor and valuables through ability to scale up and replenish early-response mechanisms will support food security for programs beneficiaries.

11. **Finally, the proposed project is aligned with the recent WBG Country Partnership Framework (CPF) for Iraq FY22–26** (Report N.153633-IQ/July 12, 2021). The project directly contributes to Pillar 1 on 'Improved Governance, Public Service Delivery, and Private Sector Participation' as well as to Pillar 2, which focuses on strengthening human capital, and in particular, Objective 2.3, which focuses on building effective and inclusive SPS by improving the effectiveness and efficiency of MOLSA's CTP and the PDS managed by the Ministry of Trade. By enhancing and integrating the demand side of the SSN system, the project improves access of poor and vulnerable households to a wide array of benefits and services not only under the umbrella of MOLSA but also provided through other agencies, including donors. The consolidated and streamlined processes will facilitate households' access and save effort and resources related to application and registration. The enhanced access to bundled services will strengthen their

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<sup>16</sup> The assessment was developed in 2018–2019 and updated in early 2022.

<sup>17</sup> Paragraph 5 of the GOI White Paper.



poverty and vulnerability conditions. The project will also mainstream gender and involve women in decision making, as a corporate priority

## **II. PROJECT DEVELOPMENT OBJECTIVES**

### **A. PDO**

12. The project seeks 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.

### **B. Project Beneficiaries**

13. The project's direct beneficiaries will be (a) MOLSA in terms of efficiency gains as a result of streamlined and integrated delivery systems on the demand side and also as the owner of one of the largest, most advanced, and up-to-date database nationwide; (b) SPC local offices at governorate and district levels in terms of improved services delivered to programs' applicants and beneficiaries and better work conditions for social workers; and, finally and most importantly, (c) Iraqi poor and vulnerable households, including women and IDPs, as the project will improve their access to all programs they are eligible for under the SPS in Iraq.

14. The indirect beneficiaries are all public institutions linked to MOLSA's social registry<sup>18</sup> and, eventually, to the National Single Registry (NSR),<sup>19</sup> given the inherent dynamism of the social registry, in terms of the ability to (a) update other databases periodically and seamlessly through system interoperability and (b) provide social services to applicants referred by MOLSA's social registry and improved case management system.

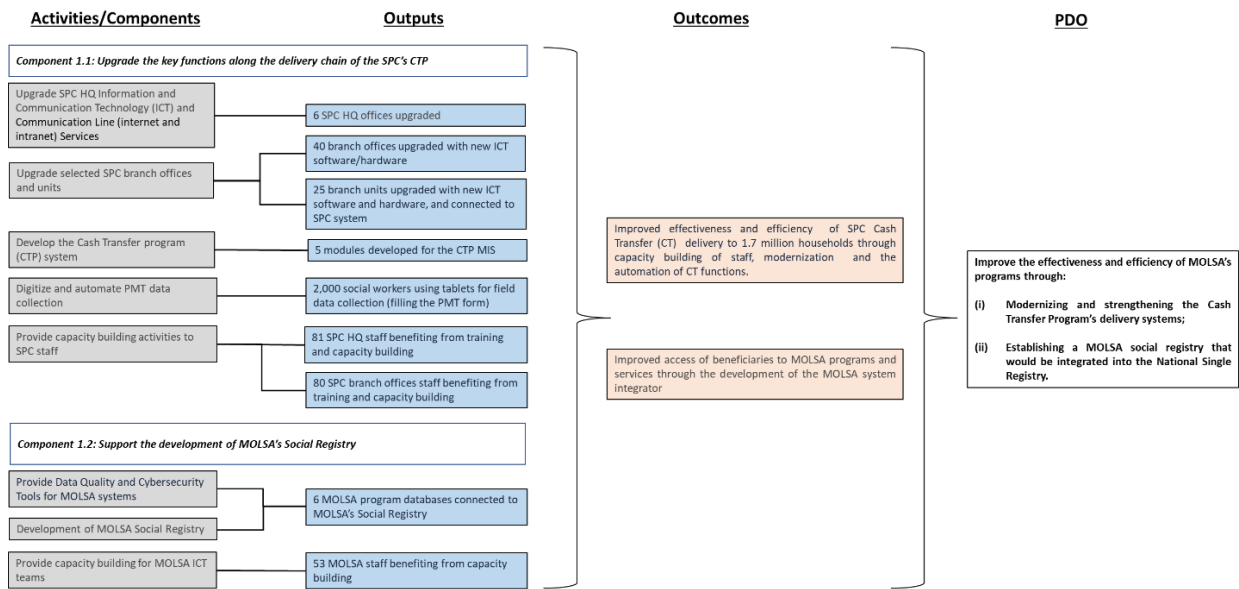
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<sup>18</sup> MOLSA social registry will aim to connect the data of the services provided by MOLSA to Iraqi citizens.

<sup>19</sup> The National Single Registry is a nationwide initiative that aims to connect government databases to build a roster of the administrative data for Iraqi citizen which can be used to enhance the quality of public services delivery to the population.



### C. Result Chain



### D. PDO-Level Results Indicators

15. The following indicators will measure the PDO:

- 1.6 million households are registered in the newly established MIS of the CTP.
- MOLSA social registry is ready to be connected to the NSR.

## III. PROJECT DESCRIPTION

### A. Project Components

16. **The project will introduce significant upgrades to the SPS that would dramatically improve its adaptive capacity to respond to shocks.** The current system serves approximately 1.4 million households of which an estimated 420,000 female headed households classified under the categories of divorced, widowed, and living alone (the program beneficiaries expected to increase to 1.6 million in 2023). The system faces several challenges limiting its ability to provide adequate services to either registered or potential beneficiaries. These challenges include data quality, security, effectiveness and responsiveness of the system and its processes. Moreover, the system lacks the necessary flexibility to include a referral mechanism that facilitates access to services for different target groups such as children, women, persons with disability, and other segments. The planned 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 MOLSA. The upgrades will also facilitate the setting up of a referral mechanism that will potentially increase access to service for certain target groups specifically children, women, persons with disability. The upgrades will be introduced at the central and local levels. At the central level, the project





will upgrade both the capacity of MOLSA through ICT investments that (a) bring in improved quality and efficiency gains and (b) integrate the demand side of the SPS into a social registry as a gateway for all services and benefits under the umbrella of MOLSA. At the local level, they will target the SPC branch offices in Baghdad and governorates. The project will provide selected branch units at the Nahya level with ICT infrastructure, digital equipment, and technical training. The project will also maintain gender-disaggregated data on the household beneficiary level.

17. **The project will include two 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.** This component will focus on upgrading the SPC-managed CTP on the one hand and developing a MOLSA social registry on the other.
- **Component 2: Project Management and Monitoring.** The following sections describe the components' activities.

18. **In addition, the World Bank team will provide technical assistance to MOLSA and SPC through World Bank-executed resources.** This support will focus on (a) implementation of all project activities; (b) the eventual integration of MOLSA's social registry into the NSR through sharing relevant international experiences and practices and identifying integration options; (c) the institutional development within the SPC, which includes revising the legal framework regulating the CTP to clarify roles, accountability lines, and delivery chains with a gender lens; (d) design of an exit strategy for the CTP to facilitate graduation; and (e) assessment of the performance of the CTP in terms of targeting accuracy, incidence, and so on. The training will be gender sensitive and will facilitate women's engagement throughout the whole process.

**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 (US\$4 million)**

19. This will be achieved through the following two subcomponents.

*Subcomponent 1.1: Upgrading the key functions along the delivery chain of the CTP (US\$3.1 million)*

20. This will seek to improve the effectiveness and efficiency of the CTP. Efforts under this subcomponent will be coordinated with work under way by the United Nations Children's Fund (UNICEF) and the International Labour Organization (ILO). More specifically, this subcomponent will support upgrading the key functions along the delivery chain through the following activities:

- (a) Upgrade the SPC's ICT infrastructure (hardware and software) at the central level.
- (b) Establish a management information system (MIS) to accommodate the key functions of the CTP through investments at the central and branch office levels.
- (c) Upgrade the SPC's ICT infrastructure in 40 branch offices, that is, at the governorate level.



- (d) Upgrade the ICT infrastructure of 25 branch units in two governorates to be selected considering poverty and needs.
- (e) Digitize and automate PMT data collection through the provision of tablets. The process remains manual in most of the country, and this activity is expected to reduce the data collection process and support the role of social workers.
- (f) Provide capacity building for MOLSA and the SPC’s ICT teams to equip them with the knowledge and skills necessary to implement and maintain system upgrades. The capacity building will cover the center and governorate levels (HQ and branch offices).

*Subcomponent 1.2: Support the development of MOLSA social registry (US\$0.9 million)*

21. This subcomponent will focus on the following: (a) introducing improvements to MOLSA’s programs’ data quality and cybersecurity enforcement benefiting from CTP system improvements performed previously; (b) developing MOLSA system integrator that is compatible with the NSR’s platform, to ensure systemwide interoperability; work under this subcomponent will be closely coordinated with other donors supporting the Government’s efforts to establish the NSR, including UNICEF; and (c) capacity building to other MOLSA ICT teams.

**Component 2: Project Management and Monitoring (US\$0.2 million)**

22. This component will support the establishment of a Project Management Unit (PMU) at MOLSA to execute the project. More specifically, the component will finance (a) the recruitment of temporary experts to work on the project (procurement, finance, environment and safeguard, and so on); (b) the procurement of necessary equipment and software to ensure smooth implementation, such as computers, printers, and internet connection; (c) external audit; and (d) workshops, travel, communication, and other operation costs.

**B. Project Cost and Financing**

Project Components	Project Cost	Trust Funds	Counterpart Funding
Component 1:	US\$4.0 million	Reform and Reconstruction	0
Component 2:	US\$0.2 million	in Iraq MDTF	
<b>Total Costs</b>	<b>US\$4.2 million</b>		0
Total project costs	US\$4.2 million		0
<b>Total Financing Required</b>	<b>US\$4.2 million</b>		



## IV. IMPLEMENTATION

### A. Institutional and Implementation Arrangements

23. **MOLSA will implement the project.** A PMU will be established within MOLSA to execute the project and report directly to the Office of the Minister of MOLSA. The PMU will mainly draw upon human resources from MOLSA and the SPC and hire consultants with relevant experience working on World Bank projects, precisely in the areas of fiduciary, procurement, safeguards, and IT. The PMU will be led by the Director General of the SSN, who will be mainly responsible for (a) providing implementation support through financial management and procurement of goods and consulting services where needed; (b) monitoring progress toward achievement of the project objectives, as well as the performance of various stakeholders; and (c) reporting on project activities to MOLSA and the World Bank.

24. **All project activities will be carried out in coordination with relevant UN agencies.** The project's design elements were discussed and aligned with partners involved in social protection reforms in Iraq. Over the past few months, the World Bank held a series of technical meetings with UN agencies, namely UNICEF and the World Food Programme (WFP), supporting the GOI in establishing SPSs through the EU-funded social protection program. These meetings sought to clarify each agency's role inclusively, ensure alignment and complementarity, and avoid duplication of efforts. Subsequently, the proposal was further honed to ensure that respective agencies' activities are well-coordinated and complement each other, as highlighted in the components' description.

25. **Work under Subcomponent 1.1 will be closely coordinated with UNICEF which is supporting important reforms at MOLSA, related to the implementation of the Social Protection Law.** The World Bank and UNICEF will communicate during the design of the SPC MIS to ensure responsiveness and flexibility of the system to cater to children's and women's needs and its ability to be linked to any future programs such as conditional CTP. Additionally, the World Bank will coordinate with UNICEF on its ongoing work supporting the Commission on the Care of Persons with Disabilities and Special Needs to enhance links with SSN-enhancing MIS and the beneficiary platform.

26. **Work under Subcomponent 1.2 will be closely coordinated with the Ministry of Trade, which is currently leading the design and development of the NSR with support from the WFP.** Details related to this component will be discussed as part of the Technical Working Group that is led by the Ministry of Planning (MOP) and coordinated by the WFP. This work will involve relevant government entities, notably the MOP, Ministry of Finance, Ministry of Interior, and Ministry of Communications. The development of the NSR will be aligned with the NSR reform vision and road map led by the GOI, represented by the Ministry of Trade, and coordinated by the WFP. The World Bank will also coordinate with ILO around its work and partnership with the Employment Department, including ongoing work on building the employment platform, reviewing services, and upgrading the MIS.

### B. Results Monitoring and Evaluation

27. **The overall monitoring responsibilities of the project will be under the scope of the PMU mandate.** The project will have monitoring and evaluation (M&E) tools to assess the performance and



progress toward the project objectives. These tools will be used to track the progress of indicators at the activity and output levels and evaluate outcomes achieved at the PDO level. Furthermore, the tools will be used to ensure that MOLSA/SPC understands the project theory of change, institutional arrangements, and roles and responsibilities of all stakeholders, and will specify data flow structures, sources, frequency, and reporting. The project indicator tracking sheet will be used to track all indicators included in the Results Framework.

28. For both Subcomponents 1.1 and 1.2, the project will rely on the M&E tools to track all indicators and define targets, data collection methods, sources of information, data pathways, and data usage. This includes tracking the project outputs, such as the number of individuals included in the social registry, the number of staff who complete capacity-building activities, and number of branches and district offices upgraded and provided with the necessary infrastructure. The M&E system will also focus on achieving the desired objectives, notably (a) improved effectiveness and efficiency of SPC CTP delivery and (b) improved access of beneficiaries to MOLSA programs and services through the development of the MOLSA system integrator. Monitoring and tracking activities will be designed to measure the project’s performance during implementation, such as targeting, registration, enrollment, grievance mechanisms (GMs), and capacity development of targeted staff.

C. Sustainability

29. The Government is committed to forging ahead with the implementation of the Social Protection Law of 2014 and the recommendations of the White Paper. The COVID-19 pandemic came only to expose the weak adaptive capacity of the SPS in responding to shocks and building household resilience. Therefore, it highlights the urgency to expedite the implementation of necessary updates to the system at the central and local levels to enhance access, coverage, and ultimately, impact on poverty reduction and households’ resilience to shocks. At the national level, MOLSA’s social registry is a critical element of establishing the NSR. Given the inherent dynamism of the SPS due to the periodic registration and assessment of applicants, MOLSA’s social registry will be the largest and most up-to-date element of the NSR.

V. APPRAISAL SUMMARY

A. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No



## B. Environmental and Social

30. **The environmental risk rating is Low.** No significant adverse environmental impacts are associated with the project. The project does not include any physical work. The other expected environmental impacts associated with the installation and use of electronics are waste in case of damage or at the end life of equipment, their management, and disposal, in addition to non-hazardous waste, especially papers from workshops, training, and meetings throughout the project. As explained in the implementation arrangements section, this is the first MOLSA operation that follows the Environmental and Social Framework (ESF); thus, it is expected that there will be the need for reinforcing the knowledge of the environmental and social specialist to adapt to the new ESF. Consequently, the environmental risk rating is estimated to be Low.

31. **The social risk rating is Moderate.** The project is expected to have positive social impacts on the vulnerable as its main objectives are intended to improve access of the poor to the selected social protection programs and improve effectiveness and build MOLSA's capacity to deliver effective and efficient SSN programs and support the ministry to further develop its social registry as an integral component of the NSR. There are limited direct adverse social impacts resulting from project activities since there are no civil works, and the project does not involve any land acquisition. The initial screening of the project indicated the following potential indirect social risks and impacts: (a) potential perception of exclusion among vulnerable groups (women, persons with a disability, youth and poor communities, and IDPs); (b) exclusion of some intended beneficiaries due to weak outreach or communication plans; (c) weak GM which is not able to capture and address concerns in a timely or responsive manner; (d) risks related to labor and working conditions; and (e) occupational health and safety and community health and safety risks due to exposure to COVID-19 contagion during project activities. The project does not affect indigenous peoples.

32. **The triggered Environmental and Social Standards (ESS) are ESS1, ESS2, ESS3, ESS4, and ESS10.** To mitigate the above potential environmental, health, safety, and social impacts and risks, the implementing agency (MOLSA), has prepared the following instruments before appraisal: the MOLSA-SPC published both the Environmental and Social Commitment Plan (ESCP) and Stakeholder Engagement Plan (SEP) on their website on October 31, 2022. In addition, the POM should be prepared prior to the signature of the Agreement and should include the e-waste management plan, Labor Management Plan, and the relevant energy efficiency use measures.

## C. Financial Management

33. **The World Bank's team undertook a simplified assessment of the financial management (FM) systems within MOLSA/SPC.** The FM assessment concluded that with the implementation of agreed-upon actions, the proposed FM management would satisfy the minimum requirements under OP/BP 10.00.

34. **Based on the proposed implementation arrangements, MOLSA/SPC will be responsible for the project implementation and coordination through establishing a PMU, which will exercise the duties of the project's FM and disbursement arrangements.** A part-time FM consultant, financed by the grant, will



be hired to manage the financial aspects of the project and will be supported by MOLSA/SPC financial staff.

35. **The FM risk before considering the mitigating measures is ‘High’.** This is mainly due to (a) the fact that the SPC has no experience with the World Bank’s FM procedures; (b) limited capacity to meet the project’s FM requirements; (c) security conditions and movement restrictions limiting the World Bank team’s ability to perform physical visits; and (d) overall weaknesses and shortcomings in the control environment, including the banking system and the MOLSA/SPC accounting system being incapable of generating the financial reports following the World Bank requirements.

36. **With the mitigation measures in place, the residual risk becomes ‘Substantial.’** The following measures are proposed and agreed upon with SPC to be implemented by the project effectiveness date:

- The FM function will be centralized within the PMU’s authority. A qualified part-time FM consultant will be hired to manage the financial aspects. Complete accounting records will be maintained for daily management purposes and for periodic audits, in addition to documenting project expenditures through interim financial reports (IFRs). The IFRs will be semiannual and submitted to the World Bank within 45 days of the end of the semester.
- The POM will document the FM and disbursement procedures.
- An independent external auditor, acceptable to the World Bank, will be hired to provide an independent opinion on the project’s annual financial statements, with one audit report for each fiscal year.
- A Designated Account (DA) in US dollars will be opened at the Trade Bank of Iraq for the PMU with a sufficient advance payment. Advance ceiling: due to the high fiduciary risk, advance amount should not be more than six months expenditures and up to US\$700,000; with a minimum value for reimbursement. Direct Payment is US\$50,000.
- Types of payment methods: DA, reimbursement, direct payment, and special commitment.

#### D. Procurement

37. **Applicable Procurement Regulations.** Procurement activities will be carried out in accordance with the ‘World Bank Procurement Regulations for IPF Borrowers’, 4th edition, dated November 2020, and as revised from time to time. The project will be subject to the World Bank’s ‘Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants’, dated October 15, 2006, revised in January 2011, and as of July 1, 2016. The project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions.

38. **The simplified procurement procedures for ‘Projects in Situations of Urgent Need or Capacity Constraints’ described under paragraph 12 of Section III of the IPF Policy will be applicable to fast-track project procurement.** Those will include (a) direct selection, as appropriate; (b) increased thresholds for requests for quotations; and (c) selection of consulting firms using Selection Based on Consultants’ Qualification. Given the urgent need for assistance, the PMU at the SPC will prepare a streamlined Project



Procurement Strategy for Development (PPSD). The PPSD and the Procurement Plan will be finalized during the initial stages of project implementation.

39. **MOLSA/SPC will be responsible for overall project procurement activities and utilize the PMU as the World Bank’s counterpart for procurement.** The PMU has limited experience in procurement and contract management; therefore, it will need to be supported by an experienced procurement specialist to provide support during the whole procurement cycle.

40. **The project will finance procurement of goods, ICT, and consultants’ services.** Under Component 1, the project will finance the procurement of goods such as computers, servers, tablets, switches, and other IT equipment and software; also, the project will contract consultants’ services for system development and design. Component 2 will finance a few simple and small-value procurement of goods and consultants’ services for project management, M&E, and financial audit.

41. **Procurement risk is considered as substantial, and main risks are identified as** (a) limited capacity of the implementing agency MOLSA/SPC in procurement planning and managing contracts; (b) perception of corruption in a weak control environment; (c) lack of interest of international consulting firms and individual consultants to work in Iraq due to security situation and limited local market with required ICT experience may result in less competition; and (d) possible delays in implementation due to security situation, long decision-making process, and delays in registering of contracts in the national investment budget plan.

42. **Risk mitigation measures may include, but are not limited to, the following:** (a) a procurement specialist must be hired to support the PMU in carrying out procurement activities and providing training on procurement and contract management; (b) flexibility must be introduced in the qualification criteria and appropriate packaging to be set based on market analysis; (c) MOLSA-SPC should commit to ensuring that the contracts are included in the national investment budget plan before or immediately after project effectiveness; (d) the SPC shall ensure access to high-speed internet to utilize systems; and (e) the SPC shall promote transparency of procurement contracts, which could include ensuring that key procurement information is readily available to the public.

43. **Procurement method and prior review thresholds.** The Procurement Plan shall set forth those contracts subject to the World Bank’s prior review for substantial risk environment. All other contracts shall be subject to post-procurement review by the World Bank. Table 1 provides the thresholds for each type of procurement.

Table 1. Prior Review Thresholds

Type of Procurement	Prior Review High-Risk Thresholds (US\$, millions)
Goods, IT, and non-consulting services	2.0
Consultants - firms	1.0
Consultants - individuals	0.3



## E. Corporate Commitments (gender, climate change, and citizen engagement)

### Gender

44. **Through 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** through ensuring a target of registered female headed household in the newly established MIS of the CTP and inclusion of women in the capacity building and decision making processes. In addition, women benefiting from CTP will be directly targeted by the case management system that will be developed to ensure that their needs, beyond subsistence, are adequately addressed. The project will also maintain gender disaggregated data of the beneficiaries.

### Climate Change

45. **It is important to build an adaptive social protection system that can respond to climate changes, a system that flexible and scalable to be able to face swiftly and positioned to respond to shocks and disasters, particularly to scale-up and extend.** While climate change affects all people; poor and vulnerable population face disproportionately higher risks because of their limited ability to cope with shocks. The poorest areas with high poverty rates in Iraq are expected to experience higher impact with water scarcity and other harmful climate changes<sup>20</sup>. By identifying high-risk areas, a MOLSA social registry can help collect additional data on households in high-risk areas and include key indicators related to households' vulnerability to the impacts of climate change. Supporting the establishment of a social registry in Iraq would help in (a) expanding SPS coverage within high-risk areas; (b) enabling more frequent updating and ensuring the data contained in registries are relevant and up to date; and (c) assessing household vulnerability to shocks and in responding swiftly to impacts of climate change, among other crises.

46. **Against these climate-change-induced threats in Iraq, the project is supporting the design of an adaptive SPS in Iraq that builds the resilience of households and individuals to cope, adapt, and adjust to various shocks, particularly to climate change.** The robust systems that will be developed and strengthened throughout the project will ensure that the Government is able to quickly identify populations vulnerable to the impacts of climate change and to respond on time during spells of drought, flash floods, and so on and support affected households. This will be done by identifying high-risk areas and including data on populations vulnerable to severe weather conditions in the social registry.

### Citizen Engagement

47. **The enhancement of citizen experience and citizens' engagement are at the center of the project's design.** The social registry will open the door for citizens to be considered for enrollment in all programs and benefits under MOLSA through one gate and one registration process and, by doing so, save them time and resources to apply to multiple programs and improve their overall experience. Similarly, the existing house visits for the welfare assessment (by completing the PMT form) will be automated,

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<sup>20</sup> Iraq-Country Climate and Development Report, 2022





slashing the time to conclude the house visit and inconveniencing the household to a minimum. Additionally, the improvement in the MIS infrastructure at the center and field levels will expedite the process of enrollment decisions and, accordingly, accelerate response and service time. The GM, through its various channels, including a web-based portal, will be enhanced, making the process of citizens' feedback easier and faster. Finally, MOLSA's social workers will be trained in case management, which will provide households with a holistic experience and a plan with small targets to graduate out of poverty.

## VI. World Bank Grievance Redress

48. Communities and individuals who believe they are adversely affected by a WB supported project may submit complaints to the existing project-level GM or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaints to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the WB's corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the WB Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## VII. KEY RISKS

### A. Overall Risk Rating and Explanation of Key Risks

49. **The overall project risk rating is Substantial.** While macroeconomic stability, political and governance-related risks, and the ongoing health care crises and their economic and social impacts pose severe threats to the achievement of the PDO, the project includes several mitigating measures that can reduce the extent of these risks. The following paragraphs explain the mitigation measures.

50. **Political and governance-related risks are substantial.** Continuous political instability and government change in Iraq and its spillovers into various regions in the country warrant a Substantial risk rating. However, these risks will be mitigated by anchoring the project's management within relevant institutions and specific departments, establishing implementation arrangements that increase the ownership and accountability of both staff and their institutions, and developing Project Operational Manuals (POMs) that clearly define the roles and responsibilities of stakeholders. MOLSA has shown commitment to the PDO and demonstrated ownership and readiness to launch and implement the project, and agreement was also established in terms of institutional arrangements at the strategic and operational levels.



51. **Macroeconomic risks are high.** The rating is High given continued macroeconomic and fiscal constraints, with the instability of oil prices and its impact on government revenues, as well as the spread of the pandemic and ensuing economic downturn—all of which could undermine the achievement of the PDO.

52. **Institutional capacity for implementation poses a substantial risk.** Even though MOLSA has had long experience in the management of SSN programs, the ministry does not have the required expertise to manage the development of a social registry or a large ICT system investment. Without mitigation, there is a risk that the project could be slow to launch and implement. To mitigate this risk, the project will provide technical assistance and capacity building to address the challenges—this will strengthen the capacity of MOLSA and the SPC at both central and local levels. Moreover, MOLSA will contract highly qualified consultants at all levels (managerial, technical, and administrative) based on the terms of reference drafted with support from the World Bank. Also, as per established practice, fiduciary support will be provided through the PMU to ensure World Bank rules and procedures are followed.



**VII. RESULTS FRAMEWORK AND MONITORING**

**Results Framework**

COUNTRY : Iraq

Iraq Social Safety Net Enhancement Project

**Project Development Objectives**

The project seeks to improve the effectiveness and efficiency of the Ministry of Labor and Social Affairs’ (MOLSA) programs through (i) modernizing and strengthening the Cash Transfer Program’s delivery systems; and (ii) establishing a MOLSA social registry that would be integrated into the National Single Registry.

**Project Development Objective Indicators**

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<b>Name:</b> Number of households registered in the newly established MIS of Cash Transfer Program		Number	0.00	1,600,000.00			
number of female-headed households registered in the newly established MIS of Cash Transfer Program		Number	0.00	560,000.00			



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Description:							

**Intermediate Results Indicators**

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<b>Name:</b> Percentage of PMT forms registered and transferred electronically		Percentage	0.00	100.00			
Description:							
<b>Name:</b> Number of Systems connected to Social Registry within MOLSA		Number	0.00	6.00	Quarterly	SPC Cash Transfer MIS	MOLSA-SPC
Description: Number of modules of the key functions related to the cash transfer MIS including Registration, Home visits, Targeting and enrollment, Payment, GRM, and Reporting & Analytics (for M& E)							
<b>Name:</b> Number of modules developed for CTP MIS		Number	0.00	5.00			



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Description:							
<b>Name:</b> Number of MOLSA staff benefiting from capacity building and training		Number	0.00	53.00	Quarterly	Training reports	MOLSA
Description: Number of IT staff trained							
<b>Name:</b> Number of SPC HQ staff benefiting from capacity building and training		Number	0.00	81.00	Quarterly	Training Reports	MOLSA
Description: Number of staff trained on cash transfer functions (registration, home visits, GRM, targeting, case management, .. etc)							
<b>Name:</b> Number of SPC governorate (branch offices) staff benefiting from capacity building and training		Number	0.00	80.00	Quarterly	Progress Reports	MOLSA
Description: Number of Branch offices at the governorate level upgraded							
<b>Name:</b> Number of upgraded offices within the HQ SPC		Number	0.00	6.00	Quarterly	Progress Reports	MOLSA



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Description: Number of districts offices at the Nahya level supported							
<b>Name:</b> Number of governorate (branch offices) upgraded with new ICT software/hardware		Number	0.00	40.00	Quarterly	Training Reports	MOLSA
Description: Number of Social Workers provided with special training on electronic forms for home visits							
<b>Name:</b> Number of branch units upgraded with new ICT equipment and connected to SPC MIS		Number	0.00	25.00			
Description:							
<b>Name:</b> Number of social workers using electronic forms (tablets) during household visits		Number	0.00	2,000.00			
Description:							
<b>Name:</b> Percentage of SPC HQ/governorate/branch unit and MOLSA staff		Percentage	0.00	85.00			



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
participating in capacity building activities reporting satisfaction							
Percentage of SPC HQ/governorate/branch unit and MOLSA staff participating in capacity building activities of which are females		Percentage	0.00	45.00			
Description:							



**Target Values**

**Project Development Objective Indicators**

<b>Indicator Name</b>	<b>End Target</b>
Number of households registered in the newly established MIS of Cash Transfer Program	1,600,000.00
number of female-headed households registered in the newly established MIS of Cash Transfer Program	560,000.00

**Intermediate Results Indicators**

<b>Indicator Name</b>	<b>End Target</b>
Percentage of PMT forms registered and transferred electronically	100.00
Number of Systems connected to Social Registry within MOLSA	6.00
Number of modules developed for CTP MIS	5.00
Number of MOLSA staff benefiting from capacity building and training	53.00
Number of SPC HQ staff benefiting from capacity building and training	81.00
Number of SPC governorate (branch offices) staff benefiting from capacity building and training	80.00
Number of upgraded offices within the HQ SPC	6.00
Number of governorate (branch offices) upgraded with new ICT software/hardware	40.00
Number of branch units upgraded with new ICT equipment and connected to SPC MIS	25.00
Number of social workers using electronic forms (tablets) during household visits	2,000.00
Percentage of SPC HQ/governorate/branch unit and MOLSA staff participating in capacity building activities reporting satisfaction	85.00





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Indicator Name	End Target
Percentage of SPC HQ/governorate/branch unit and MOLSA staff participating in capacity building activities of which are females	45.00

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## Annex 1: MOLSA Cash Transfer Program of Iraq

### Process and Verification

1. The CTP of Iraq was launched in 2017 by the Social Protection Law No. 11 of 2014. It replaced an old social assistance program that used categorical criteria with new eligibility criteria that is based on a PMT to better capture household poverty. The program's design, including eligibility assessment and the PMT formula used for that purpose, was developed in close coordination between the World Bank, MOP, and MOLSA. Several technical discussions were held with officials from the MOP and MOLSA, in a consultative process that helped build strong ownership of the tool by the Government, as evidenced by its swift adoption and implementation. Today, the CTP supports about 1.4 million households in the country that are considered below the poverty line of US\$1.9 per day per person (purchasing power parity).
2. The CTP follows an elaborated implementation cycle that starts with outreach and ends with monitoring. The process is explained below.
3. **Phase 1. Communication and outreach.** Ahead of the launch of the CTP in April 2017, MOLSA, which is the implementing agency of the program, conducted an awareness and outreach campaign that introduced the program to the public and highlighted key elements including the registration process, registration window, eligibility criteria, and benefit level. The campaign was designed with the support of media professionals to ensure large reach and attention.
4. **Phase 2. Intake and registration.** Following the awareness and outreach campaign and the finalization of the PMT formula, registration was opened to allow potential beneficiaries to sign up for the program. Initial registration could be done in person by visiting the SPC branch offices or branch units or electronically by using a web-based interface on the website of MOLSA. To complete this registration, the household head was required to provide a filled-out application form (printed copy or manually completed) in person at the SPC headquarters, branch offices or branch units, along with the following documents: Certificate of Iraqi Citizenship, Ration Card, Civil Status ID, and Residence Card. At the SPC location, the social worker confirms the identity of the applicant and reviews the application to ensure that it is correct and complete. Any necessary corrections are performed in the presence of the applicant who is required to sign a form through which s/he declares all information released is correct and true and that s/he has no source of income. The social worker then forwards the complete application to the Welfare Registry, and the first-tier data entry into the Welfare Database is performed. At the backend, a unique identifier is assigned to all applicants.
5. **Phase 3. Assessment and screening.** Once an application is confirmed as complete by the social worker interviewing the applicant, the application is pushed into the SPC's Welfare Database (SPC's social registry). The SPC then begins a process of cross-checking applicants' self-reported information against other institutions' databases to further verify and confirm sociodemographic, economic, and security-related elements:
  - Pensions and social security databases (public and private sectors)



- Civil servant database
- Tax records database
- Motor vehicle registration
- Ration card database
- Small business loan database
- National security database.

6. Cross-checking is performed by sharing applicants' lists with these institutions via a universal serial bus (USB) flash drive or a compact disc (CD). The result of the verification and confirmation is a second entry to SPC's Welfare Database that indicates applications' approval to the stage of 'prequalification' or his/her exclusion. Based on the prequalified lists of potential beneficiaries, social workers in the field conduct household visits for a second interview with heads of households through which the PMT questionnaire is completed and information on relevant observable poverty characteristics is noted/collected.

7. A third-tier data entry is then performed to enter the information collected through the PMT questionnaire into the Welfare Database. These entries are then shared with the Poverty Targeting Team at the MOP using a CD or a USB flash drive where they are transformed into measures of welfare. The Poverty Team uses a software application that applies a PMT formula that generates households' scores and places households on a poverty scale from the poorest to the least poor. The team then determines eligibility based on whether a household falls under the predetermined poverty line. The list of eligible households is then shared with MOLSA using a CD or a USB flash drive where enrollment takes place.

8. **Phase 4. Enrollment and recertification.** While eligibility is determined by the MOP, MOLSA enrolls the list of eligible beneficiaries received from MOP, via CD or USB flash memory, into the SPC Beneficiary Registry. Since enrollment is based on MOLSA's budget space, eligible beneficiaries who would not be enrolled are kept on a 'wait list' until budget resources are available. The enrollment decision is the mandate of MOLSA. Every year, MOLSA's social workers are assigned visitation schedules to existing beneficiary households under the program to re-administer the PMT questionnaire and recertify the household into the CTP. Moreover, new households are allowed to apply and the same process from Phase 2 onward is followed. Due to capacity constraints, this process is now delayed to once every 18 months or more.



### Annex 2: Cash Transfer Program Flow Chart

