



صندوق الإصلاح والتعافي وإعادة إعمار العراق

IRAQ REFORM, RECOVERY & RECONSTRUCTION FUND

I3RF

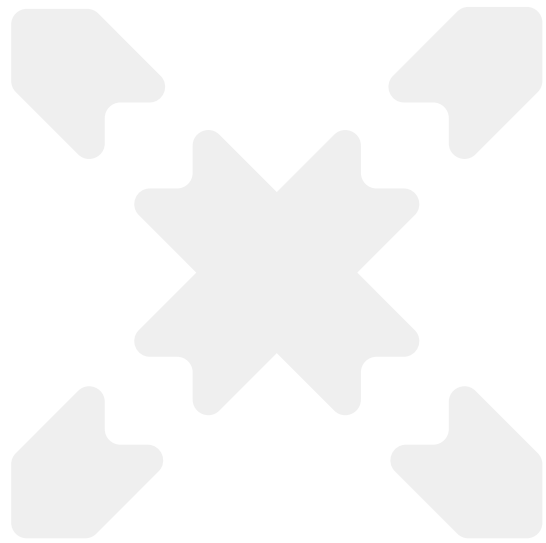
Trust Fund
Annual Progress Report
to Development Partners 2021

Report Release Date: January 31, 2022



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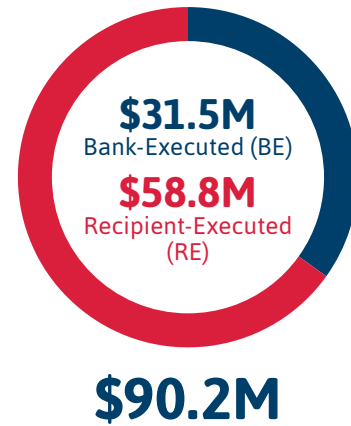
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THE I3RF AT A GLANCE 2021

Total Contributions



Allocations as per the
Endorsed Work Plan



28 projects under
the Fund

18 Bank-Executed activities
10 Recipient-Executed activities

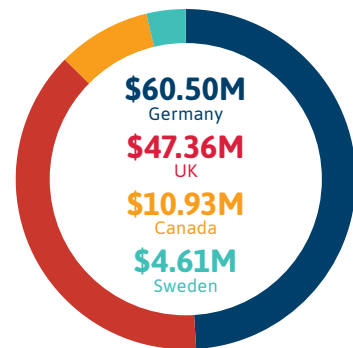
4 of these projects include both
RE and BE components

Projects contributing to
Gender Equality and
Women's Empowerment



15 Economic Empowerment
of Women and Girls
13 Improving Data on Gender
8 Improving Laws and Policies
affecting Women

Contributions by Donor



+ **\$6M**

Unallocated amount for
agile I3RF support to
new priorities



\$13.30M
Disbursement to date



19 Projects with **Climate Adaptation
and Mitigation Considerations**
5 Projects Directly/Indirectly
Contributing to the Nationally
Determined Contributions for Iraq

62 Knowledge Sharing
or Learning Activities
28 Iraqi Government
Counterparts Involved

14

Projects with Impact
at the **National Level**

17

Governorates targeted
by I3RF Projects

17

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



Technical Assistance

19 Projects
out of which 16 are active



Advisory Support

15 Projects
out of which 14 are active



Analytics

18 Projects
out of which 16 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 Gol's longer-term reform agenda with a focus on economic diversification and private sector-led growth through analytical work, capacity building, and technical assistance;

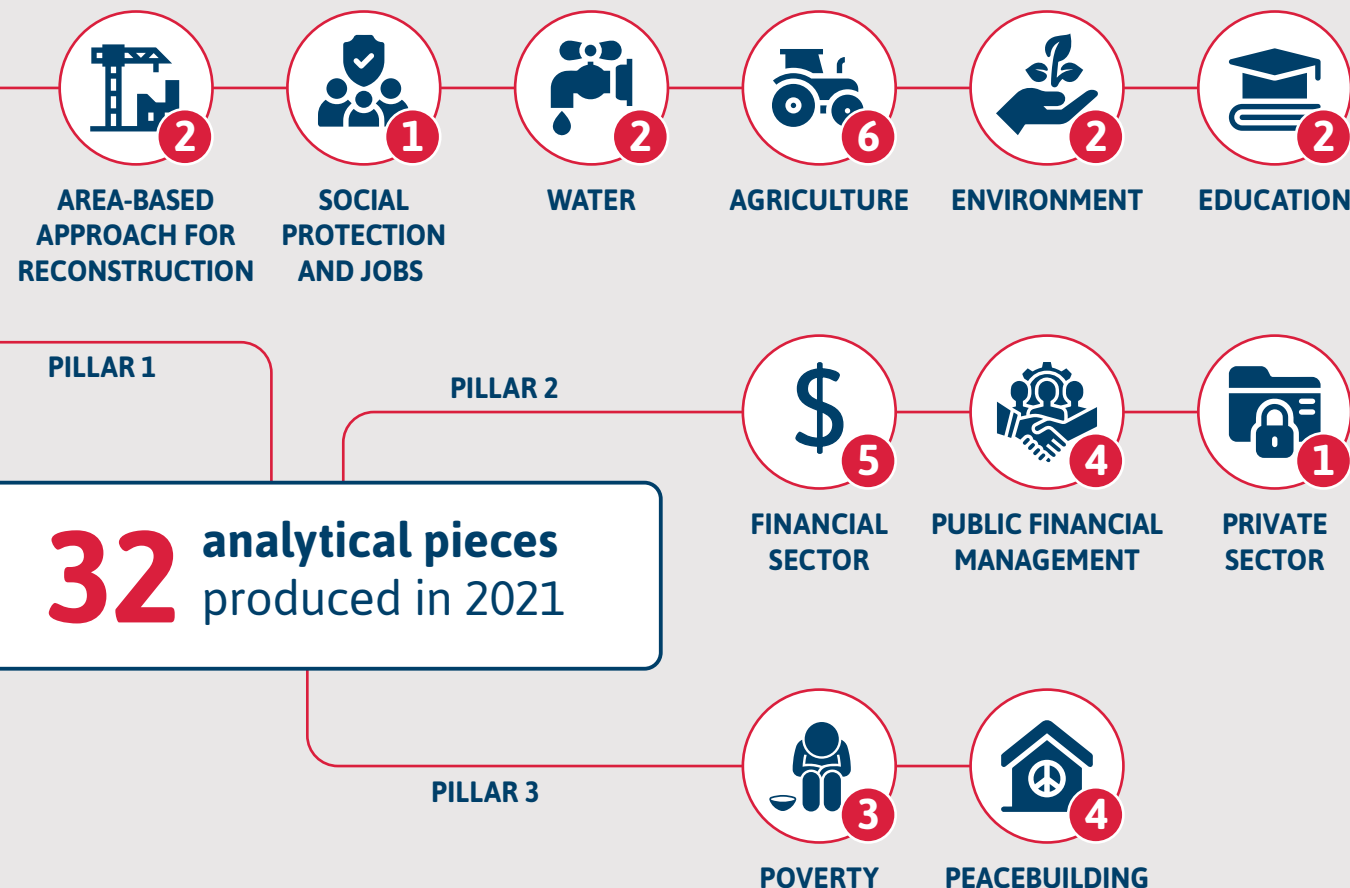
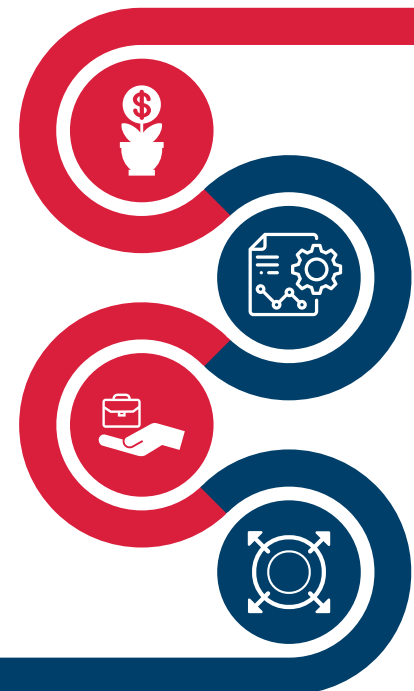
Strengthen the enabling environment and identify practical opportunities for private sector financing of reconstruction in line with the "Maximizing Finance for Development" (MFD) principles; and,

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





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

THIQUAR

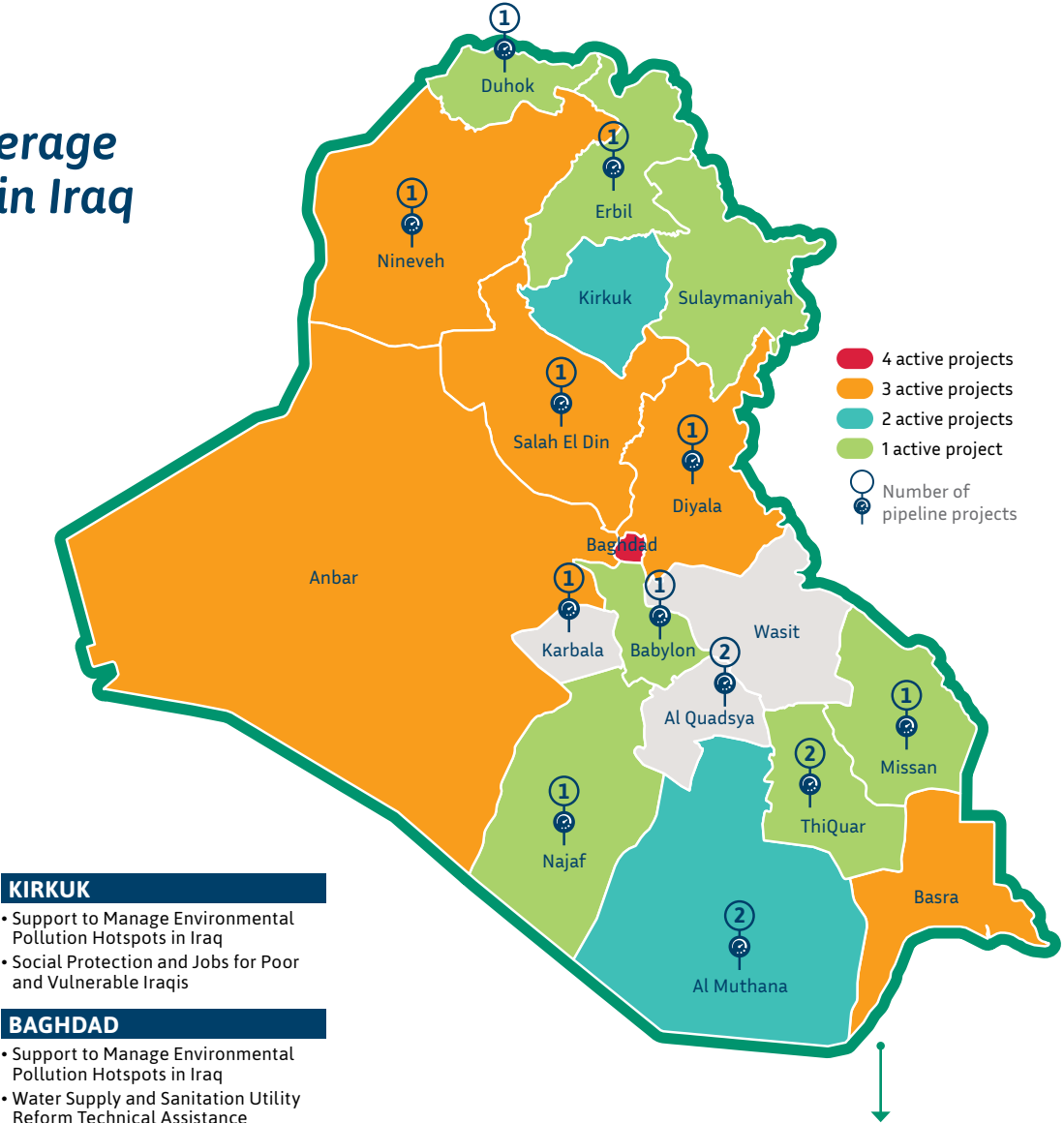
- Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements
- Support for Improved Farm Management
- Protecting and Promoting Human Capital in Iraq – An Economic Inclusion Pilot (EIP)

BABYLON

- Support to Manage Environmental Pollution Hotspots in Iraq
- Support 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)

BASRA

- Water Supply and Sanitation Utility Reform Technical Assistance
- Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements
- Social Protection and Jobs for Poor and Vulnerable Iraqis

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
- Iraq Road Maintenance Microenterprises Grant Project

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

- 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
- 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

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ABBREVIATIONS AND ACRONYMS

ABA	Area-based Approach	ESSRP	Emergency Social Stabilization and Resilience Project	IFAD	International Fund for Agricultural Development	MoHESR	Ministry of Higher Education and Scientific Research
AF	Additional Financing	EWSP	Emergency Water Security Plan	IHSES	Iraq Household and Socioeconomic Survey	MOLSA	Ministry of Labor and Social Affairs
ASA	Advisory Services and Analytics	FAO	Food and Agriculture Organization	INES	Iraq National Education Strategy	MoO	Ministry of Oil
BE	Bank-Executed	FCI	Finance, Competitiveness & Innovation	IPC	Infection Prevention and Control	MoP	Ministry of Planning
BSA	Baghdad Sewage Authority	FCV	Fragility, Conflict and Violence	ISIS	Islamic State of Iraq and Syria	MSME	Micro, Small and Medium Enterprise
BSD	Basra Sewage Department	FSAP DM	Financial Sector Assessment Program Development Module	ITAS	Integrated Tax Administration IT System	MTI	Macroeconomics, Trade and Investment
BWA	Baghdad Water Authority	GCC	Gulf Cooperation Council	KPI	Key Performance Indicator	NASF	National Assessment Strategy Framework
BWD	Basra Water Department	GCCIA	GCC Interconnection Authority	KRI	Kurdistan Region of Iraq	NBFI	Non-Banking Financial Institutions
CARP	COVID-19 Adaptation and Recovery Pilot	GCT	General Commission for Taxes	KRSO	Kurdistan Regional Statistics Office	NDC	National Determined Contributions
CBI	Central Bank of Iraq	GDP	Gross Domestic Product	MDC	Mobile Data Collection	NRA	National Risk Assessment
CCDR	Country Climate and Development Report	GoI	Government of Iraq	MENA	Middle East and North Africa	NVDP	National Vaccination Deployment Plan
CEM	Country Economic Memorandum	GP	Global Practice	MGF	Mashreq Gender Facility	OPEC	Organization of Petroleum Exporting Countries
CF	Competitive Fund	HD	Human Development	ML/TF	Money Laundering/Terrorist Financing	PER	Public Expenditure Review
CRM	Customer Relations Management	HRC	High Reform Council	MoA	Ministry of Agriculture	PFM	Public Financial Management
CSO	Central Statistical Organization	I3RF	Iraq Reform, Recovery and Reconstruction Fund	MoB	Mayorality of Baghdad	PMT	Project Management Team
DLVT	Directorate of Labor and Vocational Training	IBRD	International Bank for Reconstruction and Development	MoCHMPW	Ministry of Construction, Housing, Municipalities and Public Works	PRS	Poverty Reduction Strategy
DNA	Damage and Needs Assessment	ICT	Information and Communication Technology	MoE	Ministry of Education	RDF	Reconstruction and Development Framework
EIP	Economic Inclusion Pilot	IDP	Internally Displaced Person	MoF	Ministry of Finance	RE	Recipient-Executed
EODP	Emergency Operation for Development Project			MoHE	Ministry of Health and Environment	ReFAATO	Reconstruction Fund for Areas Affected by Terrorist Operations
EPID	Environmental Protection Improvement Directorate					RMC	Reform Management Cell
						RRDP	Recovery, Reconstruction and Development Plan
						SDI	Service Delivery Indicator
						SESDI	Support for Education and Skills Development
						SFD	Social Fund for Development
						SOB	State-Owned Bank
						SPJ	Social Protection and Jobs
						SSN	Social Safety Net
						TA	Technical Assistance
						TCP	Transport Corridor Project
						TF	Trust Fund
						ToR	Terms of Reference
						TPMA	Third-Party Monitoring Agent
						UN	United Nations
						UNEP	United Nations Environment Program
						UK	United Kingdom
						WB	World Bank
						WBG	World Bank Group
						WEAI	Women's Empowerment in Agriculture Index
						WFP	World Food Program
						WP	White Paper
						WSS	Water Supply and Sanitation

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01

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 support its recovery and reconstruction plans as well as inform its reform agenda adopted in October 2020. In 2020, sector teams engaged with over 28 government counterparts and have contributed to different chapters in the White Paper (WP). In 2021, since the official adoption of the White Paper, sector teams continue to work closely with different line ministries and other government entities (cf. Annex 2) to develop concrete action plans to implement the White Paper through technical assistance, advisory, analytical work and Recipient-Executed (RE) pilot projects. In 2021, the I3RF produced 32 multi-sectoral analytical works related to the White Paper of Iraq (cf. Annex 1). Sector teams have since worked in collaboration with government entities on strategy, reform roadmaps and evidence-based programming. The Bank-Executed (BE) activities of the Fund have progressed and are providing the basis for several pipeline Recipient-Executed activities which are expected to start implementation in the coming year. It is important to note that many of these projects aim to support the implementation of the GoI reform agenda as outlined in the White Paper.**

TABLE 1:
NUMBER OF LINE
MINISTRIES AND
GOVERNMENT ENTITIES
INVOLVED IN I3RF
PROJECTS 2020–2021



TABLE 2:
TYPE OF SUPPORT TO THE GOVERNMENT OF IRAQ–2021

INITIATED/ACTIVE PROJECTS PIPELINE PROJECTS

3. The I3RF welcomed Sweden as a new donor in July 2021. The secretariat has been working closely with the Ministry of Planning (MoP) and donors to develop a Communications Strategy, Visual Identity, and to update the Fund's Operations Manual. The Fund remains an agile tool to support the GoI in emerging areas of priority, and in doing so has introduced several priority activities to the portfolio at the request of the GoI.
4. **Key I3RF developments from 2021:**
 - i. The I3RF currently has **four donors (Canada, Germany, Sweden and the UK)** who have committed US\$123.40 million, of which US\$94.17 million was received. Sweden joined the I3RF donor community in July 2021;
 - ii. I3RF projects have **informed policy and programming** in reconstruction, agriculture, water, environment, energy, social protection, education, health, public financial management, the financial sector, the private sector, poverty programming and peacebuilding. In 2021, the fund strengthened its focus around reforms and is also supporting the GoI to build coordination systems to manage reform efforts;
 - iii. The first two **Recipient-Executed activities** (Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring (P177038); and COVID-19 Adaptation and Recovery Pilot for MSMEs in Iraq (P174273) under the I3RF became active in October 2021 and December 2021 respectively; and since then several other RE activities have completed their project design and appraisal to become effective. The grant agreement for the Iraq Household Socioeconomic Survey III (P176590) has been signed, and the team is working with government counterparts to meet effectiveness clauses before work commences;
 - iv. The I3RF **Operational Strategy for Communications** was agreed with MoP and the Fund is finalizing its visual identity and branding guidelines in consultation with MoP; and
 - v. In an effort to strengthen the strategic role of the I3RF as a platform for coordination and dialogue on Reform, Recovery and Reconstruction, the I3RF secretariat launched a series of **Thematic Discussions** which are expected to become more active in the coming years and strengthen the strategic role of the I3RF as a platform for coordination and dialogue on Reform, Recovery and Reconstruction. In 2021 discussions were organized around climate change, response to COVID-19, peacebuilding and citizen engagement (cf. Table 6).
5. The I3RF Steering Committee, co-chaired by the GoI's MoP met three times in 2021 to discuss the strategic direction of the I3RF as a platform for reform and to endorse projects or changes under the Fund. The Donor Reference Group met regularly to discuss progress, coordinate efforts, and hold technical discussions on the projects financed under the Fund. The meetings organized by the I3RF Secretariat included participation from relevant line ministries and Development Partners, beyond the members of the Steering Committee, and going forward representatives from the Ministry of Finance (MoF), the private sector, and the United Nations (UN) will participate in Steering Committee meetings.
6. **Structure of the third I3RF annual report:**
This I3RF annual report focuses strongly on results achieved from the different projects supported by the Fund. The report starts with a focus on the progress in the economic and education areas. This is followed by Section 4 – Results and Highlights – which covers the achievements of active projects of the Fund throughout the last year. The next section presents an overview of the I3RF portfolio before sharing operational updates from 2021. The final sections provide a financial overview and convey the Fund's ambitions for 2022. The annexes detail results and progress of all projects under the I3RF, tabulate results achieved up to 2021, and show I3RF collaboration with the GoI per project.



02

**A FOCUS ON THE ECONOMIC
REFORM AGENDA:
CONTEXT AND ADVANCEMENTS**

7. **Global demand has boosted oil prices, the Organization of Petroleum Exporting Countries (OPEC+) eased oil production limits to the benefit of Iraq, and COVID-19 restrictions were gradually lifted, leading to some recovery of economic activity especially in the services sectors.** The economic rebound was partially aided by government actions which continued to push forward the reforms as outlined in the White Paper and provided a small stimulus through public transfers and schemes aimed at increasing credit to businesses. This led the Gross Domestic Product (GDP) to grow by 0.9 percent in the first half of 2021, after a 16 percent contraction in 2020.
8. **However, this recovery was held back by deteriorating public service delivery, including widespread electricity cuts and severe water shortages following historic low rainfall** which impacted agricultural and industrial sectors. At the same time, healthcare services deteriorated amidst growing cases of COVID-19.
9. **With oil prices trending above US\$64 a barrel in January to July 2021, budget revenues rose by 52 percent, turning the fiscal balance into a 2.2 percent of GDP surplus and lowering the public debt-to-GDP ratio.** This outcome was supported by a notable rise in domestic revenue mobilization as the 2021 budget law directives on customs and tax administration, an integral part of the White Paper reforms, started paying off. Moreover, oil exports and foreign direct investments, namely in the energy sector, were both up by 27 percent in the first half of 2021, leading to an improvement in the external account of the country and boosting the central bank's useable reserves from US\$48 billion in 2020 to almost US\$55 billion in the first half of 2021, covering 15 months of imports.
10. **The economic prospects for Iraq improved with the recovery in global oil markets.** Oil GDP, the main driver of growth in the medium term, is expected to grow in line with the gradual phase-out of OPEC+ production quotas, while non-oil GDP growth is forecasted to remain under 3 percent in 2021–2023 in the absence of an accelerated process of reforms and the persistence of water and electricity shortages as well as the impact of the COVID-19 on the economy.
11. **Further major fiscal risks have emerged and may materialize anytime from growing budget rigidities, slow clearance of arrears, a large exposure of state-owned banks and the central bank to the sovereign, and public investment management constraints that have impacted public service delivery.** Nevertheless, progress on regional economic integration together with an improved security environment may provide new momentum for growth and diversification.
12. **The breadth and depth of these challenges underscore the need for an accelerated implementation of structural reforms. As such, the GoI has been keen on moving the White Paper reform process forward.** With the support of the I3RF, reform governance structure was endorsed in which a High Reform Council (HRC) at the ministerial level was designated and convened with Prime Minister chairmanship, and a Reform Management Cell (RMC) was created to coordinate and follow-up on the 64 initiatives of the White Paper. The RMC has been partially staffed, and with continued support from the I3RF, it has been active in putting in place procedures for effective monitoring and evaluation as well as following-up with line ministries on the implementation of reforms. In this regard, an electronic dashboard to collect data and ensure a more efficient tracking of reforms is currently being finalized and it is expected to be online in 2022. The RMC has also been engaged directly on initiatives around improving public financial management, the financial sector, and the business environment.
13. Technical assistance and capacity building efforts, financed through the I3RF, have significantly contributed to two important results namely:
 - **Delisting Iraq from the European Union's list of high risk countries for money laundering**, which will open up numerous opportunities for the Iraqi financial sector to develop, grow and attract private investments. This result has been achieved under the leadership of the Anti-Money Laundering and Countering Financing
- of Terrorism Office with the close coordination and cooperation between the Anti-Money Laundering and Countering Financing of Terrorism Office and the WB teams, supported through the technical assistance of the I3RF funded project Iraq Financial Sector (P171615). *The activity is still ongoing and it aims to broadly improve the stability and integrity of the financial system and access to finance through reforms and capacity building. This will enhance financial infrastructure, strengthen regulatory and supervisory frameworks and improve the efficiency and impact of public interventions and state-owned financial institutions.*
- **Delisting Iraq from the World Bank list of non-compliant countries for reporting on external public debt.** This will support Iraq to access increased financial resources from multilateral institutions and improve the credit rating of the country. This was achieved, in part from the *Debt Management support component, supported by the the I3RF as part of the Analytics and Advisory Services for Management of Public Resources and Fiscal Federalism project (P166640).*
14. **In addition, the following three areas of economic reforms as outlined in the White Paper have seen the most advancement in 2021:**
 - **On structural fiscal constraints:** reforms linked to boosting domestic revenues have moved forward with relative success. The decision to devalue the Iraqi Dinar as well as customs and tax administration reforms have been incorporated as directives in the 2021 budget law. These included linking customs to the currency window at the central bank limiting over-usage, border management tightening, and improvement to tax collection measures among other actions.
 - **On strengthening the financial industry:** progress has been made spearheaded by the Central Bank in proceeding towards implementing a number of key reforms including new corporate governance bylaws for Rasheed and Rafidain (R&R), a dedicated SOB unit has been established
- at CBI and the MoF has agreed to recommendations for the conduct of an Asset Quality Review (AQR) of the two largest banks. It is critical that these reforms are fully implemented to ensure momentum is maintained towards the expeditious reform of the SOB enabling them to play their expected role in the economy. The continuing dependence of a majority of Private Banks on a single revenue source (FX arbitrage) is a cause of concern and a potential financial stability risk as these banks lack the capital to invest in systems, operations and human capital to offer broad range of products and services. CBI is cognizant of the risks and is considering appropriate prudential measures to mitigate these risks.
- **On business environment:** after accessing the New York convention on arbitration, dialogue between the public and private sectors has moved forward with the creation of a high committee on business environment reforms at the Prime Minister's office and a business council coordinated by the MoP. These will be important instruments to advance the White Papers reforms.
15. The existing GoI White Paper's comprehensive list of economic reforms continue to remain very relevant and, if fully implemented and followed through, could put the economy on a more sustainable path that is less dependent on oil revenues. It is for this reason that the I3RF intends to continue its support towards the implementation of the country's reforms agenda.

03

A FOCUS ON THE EDUCATION REFORM AGENDA: RESULTS OF THE SESDI PROJECT

Relates to the Results of the Project: Support to Education and Skills Development in Iraq (SESDI) (P171165)

16. **Human capital development is imperative to achieve sustainable and inclusive economic growth in Iraq.** At the heart of Iraq's human capital crisis is a learning crisis, which has been exacerbated by the effects of the COVID-19 crisis on education service delivery. The low levels of human capital development, coupled with limited opportunities to gain job-relevant skills, have translated into worsening economic and social outcomes. To date, Iraq has some of the lowest Human Development (HD) indicators in the region. While, now more than ever, investments are needed in education to recover lost learning and **turn crisis into opportunity**, these **investments must be accompanied by a comprehensive reform agenda** that focuses the system on learning outcomes and builds a more resilient education system for all children.
17. **Technical and operational education sector support financed by the I3RF respond to these urgent needs in Iraq;** they finance pilot initiatives to provide the most urgently needed resources to inform national scale up and future lending (Innovations towards Learning in Lagging Iraqi Governorates P175721 and Support to Tertiary Education

in Iraq P175694), as well as TA (Support to Education and Skills Development in Iraq P171165) providing research, capacity building, analytical and policy work and small pilots, that will provide evidence-based inputs into the Iraq education sector reform agenda.

18. **A key deliverable under the TA (Support to Education and Skills Development in Iraq P171165), is the [Building Forward Better to Ensure Learning for All Children in Iraq: An Education Reform Path](#), which was published in FY21 and translates key education priorities identified in the Government of Iraq's White Paper¹ into actionable education reform recommendations to boost learning and skills.** The recommendations focus on immediate crisis response and medium and long-term needs across six key strategic areas (see figure 1).
19. **Building on the reform note and its recommendation to improve the governance of the education sector and promote evidence-based decision-making,** the **Iraq Public Expenditure Review (PER) for the Human Development sectors (HD PER)** was completed and **launched in early 2021**. In education, the HD PER found that public funding to the sector has been declining in recent years, leading to underinvestment in education, particularly neglecting school infrastructure leaving a substantial gap for new schools and school reconstruction after years of conflict. The PER identified ways to increase the share of public spending, improve the implementation of non-salary expenditures, target additional public resources toward groups and areas with greatest need, and modernize policies and practices governing student learning assessment, teacher allocation, and infrastructure management.
20. **Building on the education reform note and its recommendation to develop and implement an education sector strategy that focuses on learning,** the **Iraq National Education Strategy (INES) 2022–2031** outlines the vision of the GoI for its education sector for the next 10 years, while addressing the effects of past and ongoing crises, including prolonged
- school closure due to COVID-19, displacement, destruction of education infrastructure, and the psycho-social needs of learners. The INES was developed over the last two years by the GoI, with technical support from UNESCO, UNICEF, and the World Bank (WB), and **will be finalized by December 2021**. In a subsequent phase, the WB team will provide technical support for the development of 3-year implementation plans, translating the INES into costed activities.
21. **Building on the education reform note's recommendation to promote evidence-based decision-making,** the **Service Delivery Indicator (SDI) survey** will assess strengths and shortcomings of schools to promote learning, while collecting urgently needed learning data. Data collected as part of the SDI will provide urgently needed information on teacher practices, mastery of content, students' learning, adequacy of learning materials for students and teachers, school infrastructure and school management, and home environment. Findings from the SDI survey will enable the GoI to make strategic, cost-effective decisions on teacher recruitment, employment, and training policies. In addition, findings from the SDI will allow the GoI to analyze learning outcomes against measures of equity to best support the most marginalized and vulnerable groups. The SDI survey has been **developed, and enumerator training for data collection started in December 2021**. Data collection will start from February 2022 onwards with the **SDI report delivered over the summer of 2022**.
22. **Building on the education reform note's recommendation to focus on the most urgently needed investments, while ensuring better utilization of resources,** key outputs under the Advisory Services and Analytics (ASA) are a school infrastructure policy and teacher allocation diagnostic and guidance note. Years of conflict have led to a severe shortage of school buildings, many of which now run in two and three shifts, effectively limiting learning time and opportunities. The Ministry of Education (MoE) estimates that an additional 8000 school buildings are needed, with 50 percent of current buildings

¹ responding to Priority Area 2.6 Human Development and Strategies, and 5.2 Governance and public administration reforms, and 1.3 Reforming financial management systems, and 4.4. Implementing School Construction Plan

**FIGURE 1:
PRIORITIES OF THE IRAQI EDUCATION SECTOR**



Crisis response: Mitigate Immediate Learning Loss and Preventing Further Dropouts

- Strengthening foundational literacy & numeracy skills in the foundational years in primary school.
- Using innovative approaches could support self-learning for youth in secondary and vocational education.
- Supporting the most vulnerable children through additional resources, for example through school grants or cash transfer programs.

Improve Foundational Skills to set a Trajectory for Learning - through Improved Learning Materials and Strengthened Teacher Practices That Support Learning for All Children

- Developing teaching and learning materials for preschool and early grades to build strong and foundational skills.
- Strengthening adaptive teaching strategies and psychosocial support.



Focus on Most Urgently Needed Investments, While Ensuring Better Utilization of Resources

- Supporting reconstruction and rehabilitation of school infrastructure in the most deprived areas.
- Enhancing utilization of existing school infrastructure to improve the quality of education under existing budget constraints.
- Increasing efficiency in teacher allocation and reviewing teacher recruitment practices to improve the quality of education.

Improve Governance of the Education Sector and Evidence-Based Decision-Making

- Improving planning and management capacity and governance of the education sector.
- Increasing transparency in education financing and link financing to education outcomes.
- Strengthening autonomy of schools to manage their own funds.



Develop an Education Sector Strategy That Focuses on Learning and "Building Forward Better"

- Developing a National Education and Training Strategy.
- Developing an assessment strategy that sets out goals for classroom assessments to monitor student's individual progress, and large-scale assessments to inform education policy.

Align Skills with Labor Market Needs

- Developing school-to-work transition programs to facilitate entry of university graduates into the labor market and to improve their employability.
- Aligning tertiary education programs and governance with international standards and labor market needs.



in dire need of rehabilitation.² With demand for new buildings largely outweighing supply, planning and prioritization are essential for construction of educational infrastructure in Iraq. The **Schools Infrastructure Policy, to be finalized by December 2021**, and led by the Department of Educational Planning of the MoE, formulates a set of construction norms accounting for rural and urban differences, prioritization mechanisms, and guidelines for maintenance of school infrastructure. It serves as a model policy for adoption by all agencies involved in construction of school buildings, including public works departments, other government construction departments, local bodies, or private construction agencies.

23. Teacher deployment is a major challenge for the education sector in Iraq, with very large variations in student teacher ratio both between governorates, and within governorates. These variations reflect a deployment system undermined by widespread nepotism and local influence, lack of a clear allocation formula, and absence of monitoring. The **Teacher Allocation Diagnostic and Guidance Note**, developed with a working group within the MoE, **to be finalized by February 2022**, identifies options for a formula for teacher allocation, and mechanisms to monitor deployment performance, and to reduce the imbalance over time.

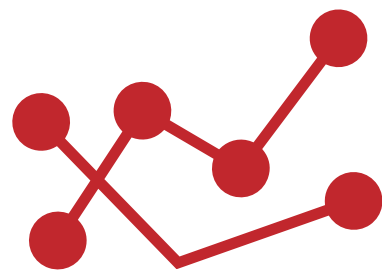
24. **Building on the education reform note's recommendation to develop an assessment strategy** that sets out goals for classroom and education policy assessments, the **National Assessment Strategy Framework (NASF)** was jointly developed with the MoE and will **be finalized by February 2022**. The assessment system in Iraq is still nascent: Large scale assessments that can inform system progress, provide input into curriculum reform and teacher support, as well as classroom assessment practices, to help the teacher gauge learning progress of students, are very limited and not systematically implemented. The NASF, proposes a strengthened national learning assessment system based on better quality assessments and use of assessment data to inform policy making and teaching practices to promote learning.

25. **Building on the education reform note's recommendation to improve the governance of the education sector and promote evidence-based decision-making**, this ASA supports the technical assistance in the development of a **Mobile Data Collection (MDC) Platform**, and the hardware financed under the **Emergency Operation for Development Project (EODP)**. This will complement the long-term goal of establishing a comprehensive Education Management Information System, while providing a simple platform for urgently needed education indicator to track geographic, educational, demographic, and socio-economic data collected on tablets or mobile devices. A data analytics portal will disseminate interactive reports, dashboards, and analytics maps. The MoE team has been engaged in a participatory approach, focusing on capacity building and empowerment of a multidisciplinary team from GIS, Statistics and Planning, IT Development, IT Infrastructure, Networks and Security. The MDC, supported under EODP, which includes a Geographic Information System, will **be finalized by February 2022**, and will support planning and decision-making with a special focus on the development of guidelines for human resources allocation and infrastructure deployment optimization.

26. **Building on the education reform note's recommendation to align skills with labor market needs through targeted programs and reforms**, the **Competitive Fund (CF) Initiative** was developed with the Ministry of Higher Education and Scientific Research (MoHESR). The CF supports university-private sector partnerships to improve the quality and relevance of academic programs and graduates' employability. Close to 300 concept proposals were received from approximately 30 universities across Iraq, of which **9 fully-developed proposals were selected through a competitive and transparent process in October 2021** by a CF Committee of representatives from relevant ministries (including MoP and MoF), universities and the private sector. The CF initiative pilot has been rolled over to be part of the new Support to Tertiary Education in Iraq project (P175694) to receive further financial and technical support.

2 Current number of school buildings (2018-2019): 15,902. Estimated deficit: 8,093 school buildings, Schools in need of rehabilitation or complete reconstruction: 8,831 school buildings

04



I3RF RESULTS AND HIGHLIGHTS

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



4.1 PILLAR 1 – SOCIO-ECONOMIC RECOVERY AND RECONSTRUCTION

27. 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.
28. *The results of the Support to Education and Skills Development in Iraq project (SESDI) (P171165) are reported on in section 3 - A Focus on the Education Reform Agenda: Results of the SESDI Project.*

4.1.1 Adopting an Area-Based Approach to Reconstruction

Relates to the Results of the Project: Area-Based Approach in Mosul and Other Urban Centers In Iraq (P162875)

29. **The project aims to support planning for and facilitating an Area-Based Approach (ABA) using integrated multi-sector and participatory approaches to the recovery and reconstruction of Iraq's urban centers, starting with Mosul as a pilot.** 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 and restoration of cultural heritage assets.
30. Based on the World Bank Group's (WBG) experience in post-conflict recovery and reconstruction, the activities fall under three key pillars, namely the (i) ABA for Urban Reconstruction; (ii) Subnational Project Management Team's (PMT) Capacity Development for area-based sub-project identification and implementation; and (iii) Pilot projects and harnessing Cultural Heritage for reconstruction and recovery.
31. **In 2021, the project produced a stakeholder and engagement plan in Mosul and nationally. Analytical diagnostics of 32 Iraqi cities have also been undertaken to select three cities for the ABA project, on the basis of the**

following criteria: (i) City size & function; (ii) Climate change vulnerabilities; (iii) Donor landscape; (iv) Level of physical damage; (v) Stability & security; (vi) Internally Displaced Persons (IDPs) & returnees; and (vii) Poverty. Based on the 32 city analysis, Baghdad and Basra have been selected as priority cities for the ABA in addition to Mosul. Climate risk assessments have been carried out for the three cities, with additional assessments planned for other cities identified as having high climate risk vulnerability. The diagnostic and risk assessments will also feed into the development of the ABA strategy. As of June 2021, a number of trainings have been conducted for PMTs, with a total of 65 beneficiaries so far to prepare their respective investment plans (funded by EODP) that are inclusive and are based on ABA principles.

4.1.2 Revitalizing the Agriculture Sector

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

32. **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.**
33. **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).
34. **COVID-19 underscored the fragility of Iraq's national food system. Specifically, consequences of the pandemic disrupted both food and input supply chains, caused food price spikes, increased food insecurity, and reduced incomes (especially for the poor).** In the early stages of the outbreak, the WB team formed a partnership with the UN Food Agencies (Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD) and World Food Program (WFP)). The purpose of the partnership was to create a coordinated approach to monitor-

ing and reporting on the impact of COVID-19. The objective was to keep both Government and donors informed of key trends and policy options. 28 Biweekly Food Security Monitoring reports and 4 Quarterly Policy focused reports were produced and circulated. **The reports helped create awareness of rising food insecurity and revealed the system's fragility. Strengthening Iraq's food system is now a key priority in the Government's White Paper on economic reforms.** The WB and UN Agencies partnership has created a more aligned and coordinated platform to engage with Government on this reform agenda. **In addition, the forthcoming paper on Building Food Policy Capacity will offer pathways and investment options for building the capacity of the Government to respond to future shocks and strengthen the resilience of the system.**

4.1.3 Mapping Environmental Hotspots in Conflict-Affected Governorates

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

35. **The project aims to support GoI 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.
36. Building on ongoing efforts of the Chemical Management and Contaminated Sites Assessment Department of the Ministry of Health and Environment (MoHE) and other development partners such as the United Nations Environment Program's Crisis Management Unit (UNEP), the project is carrying out the following tracks: (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) Support preparation of technical studies (including engineering, costing, etc.) for remediation of priority hotspots; (iv) Support preparation of a national register of contaminated hotspots, and; (v) Develop a road map/action plan for

the program on remediation of hotspot sites in Iraq.

37. **As a first step, a satellite mapping of 77 environmental hotspots in the seven conflict-affected governorates (Nineveh, Anbar, Salah El Din, Diyala, Kirkuk, Baghdad, and Babylon) was carried out.** Based on this satellite mapping, priority sites for detailed mapping were also identified. **In parallel, a comprehensive eight module training program for 30 MoHE officials was conducted to build their capacity in identification of hotspots, conducting site assessments, preparation and implementation of remediation plans.** The activity, financed by I3RF, is following 'Learning by Doing Approach' to build the capacity of stakeholder agencies. For this purpose, the team at MoHE is involved in the design of various tasks and is working with technical consultants in carrying out the inventory and related primary investigations. In addition to MoHE, the activity is also engaging with the Environmental Protection Improvement Directorate (EPID), the Environmental Council, EPIDs within the identified Governorates and the Ministry of Oil (MoO).
38. **Based on the project's progress, an RE activity will be designed that can implement remediation of priority hotspots, augment the laboratory and detailed assessment infrastructure at MoHE, and design a national program for the remediation of polluted sites in Iraq.**

4.1.4 Supporting Good Practices in the Water Sector

Relates to the Results of the Project: Water Supply And Sanitation Utility Reform Technical Assistance (P175808)

39. **The project aims to adapt global good Water Supply and Sanitation (WSS) utility management practice to the Fragility, Conflict and Violence (FCV) context of Baghdad and Basra with a view to building a national utility reform program financed from a diverse base of international financial institutions lending, public, and private sector financing.**
40. **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 TA to the Basra WSS service provider, adapting good WSS utility management practice to Iraq's specific FCV context. The initial implementation support will leverage the US\$210 million of IBRD financing for the Baghdad WSS Improvement Project, which became effective in 2018, by working with its implementing agencies; the Mayoralty of Baghdad (MoB), the Baghdad Water Authority (BWA) and the Baghdad Sewage Authority (BSA). The project will 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 including advice on how to reverse the free water provision policy under COVID-19; (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 Basra Water Department (BWD) and the Basra Sewage Department (BSD) will draw on the emerging lessons from the Baghdad operation.

41. The TA program for Basra will include: (i) Assessing processes of water, customer and financial management and developing a plan to modernize systems and reverse the free water provision policy under COVID-19; and (ii) Developing options for a water supply backup plan for Basra's recurrent summer drought emergency. Based on this TA, roadmaps for the corporatization of the Baghdad and Basra WSS service providers will be developed. While the institutional setup for service delivery is different in Baghdad and Basra, these roadmaps would have common elements and may provide a template for other parts of Iraq, and would **thereby provide a springboard for developing a national program of WSS service provider reform.**
42. **In working towards its first results in Area Based Approach Plans (i.e., Emergency Water Security Plan (EWSP)), the project has developed a diagnostic report on the 2015 strategy for water and land resources (Water Resources Planning and Investment Analysis; how local reallocation can help meet national water resources management**

objectives). The main findings are (i) Due to the challenges, both old and new, that Iraq faces, the national strategy for the development of water and land resources for the next 20 years needs to be revised to take into account the lack of investment over the past five years, demographic changes due to internal displacement and the actual economic context, and significant changes in the hydrology of the Twin Rivers over the past 5 years. In particular, the destruction of water infrastructure by Islamic State of Iraq and Syria (ISIS), climate change impacts, and the completion of the Ilisu Dam on the Tigris River in Turkey are all significant changes that must be accounted for in planning for water and land use. (ii) Another aspect of the Strategy in need of updating is in the role of local institutions in decisions about water allocation and use. Although central water resource institutions must retain oversight, there are opportunities to decentralize some aspects of water management that would draw on local knowledge and priorities. The report describes the main principles of the national strategy before going on to reconsider how national, regional, and local institutions could find new ways to allocate water so as to promote local interests and capabilities while accounting for the overall water resources limits expected to be available to Iraq by 2030.

43. **Furthermore, the project will assess the impact of climate change on water resources, which will add substantial data in the development of the EWSP for BWA. A Terms of Reference (ToR) was drafted to recruit a consultancy service to assist in developing it.** Furthermore, this will feed into the update of the national strategy.
44. **In addition, the project completed a roadmap for the digital transformation of WSS delivery.** The report included an assessment of customer relations management (CRM) and billing systems, and has identified opportunities to improve the current status and proposed future state information technology architecture (models) and key programs of work to deliver future business requirements at BWA. The team is working with BWA and MoB in the procurement of the CRM and billing system to improve customer relations and revenues management.

45. **The White Paper – "Iraq - Final report Emergency Cell for Financial Reforms" of October 2020 highlights a clear objective for reforms 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 specifies the importance to restructure the municipal departments and concerned institutions in charge of water and sanitation services on commercial or semi-commercial basis. In line with this, the project developed a ToR to study corporate governance restructuring options for improved water supply and sewerage service provision in Baghdad.
46. While implementing the above-mentioned activities, the project team will document emerging lessons from Baghdad in short accessible notes in English and Arabic and directly feed these into the Basra TA program, which will follow the same steps and is likely to achieve the same results.

4.1.5 One Step Closer to a More Efficient Energy Sector

Relates to the Results of the Project: Technical & Economic Due Diligence To Support Iraq Southern Region Electricity Network Reinforcements (P175879)

47. **The project aims 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).
48. The key deliverable expected from the TA activity is a technical and economic/financial analysis report that evaluates existing electricity transmission infrastructure in the southern region and assess and prioritize needed reinforcements. The expected outcome is to enable an efficient interconnection with the GCC member states to evacuate the initially agreed supply of energy (500 MW) with the GCCIA and subsequent expansions to reach the

interconnector's total capacity (1,800 MW) as well as increased domestic supply.

49. **In 2021, work has significantly advanced on collecting the needed data.** This includes detailed lists and technical specifications of: (1) existing generating units with bus numbers, zone, fuel type and MW rating; (2) planned generating plants for 2020-2035; (3) generating plants modeled in the 2030 Case; (4) new transmission line additions; (5) transformer additions; (6) existing transmission lines; (7) existing transformers; and (8) planned transmission lines and transformers for 2020-2035. A preliminary load flow analysis has been conducted by the Bank team, which includes: (1) overview of the Iraq power system; (2) evaluation of the technical capability of Iraq's transmission networks (132kV and 400kV) to dispatch its own thermal and planned renewable energy generation, as well as the 1,800MW imports via a GCCIA connection; and (3) multiple scenarios and sensitivity analyses for Iraq's connection points with the GCCIA backbone interconnector, including geographical locations and estimated costs. **A first draft of the report has been completed and is undergoing further review and discussion.**

4.1.6 Strengthening Social Protection Frameworks and Schemes

Relates to the Results of the Project: Social Protection And Jobs For Poor And Vulnerable Iraqis (P171639)

50. **The Social Protection and Jobs for Poor and Vulnerable Iraqis is a TA program that aims to support the GoI in three key areas:** (1) to develop a resilient Social Safety Net (SSN) system that builds on the Government's achievements; (2) to better understand workforceskillsandprivatesectorjobcreation that ultimately lead to reforms for more and better employment; and (3) to provide the analytical base to pilot interventions that increase access to sustainable livelihoods. Launched in November 2019 with majority I3RF financing, and further financing from the Partnership for Economic Inclusion, the TA has allowed the Bank to advance the dialogue with key counterparts on social protection and jobs reforms. This has been timely given the repercussions of COVID-19

on people's welfare and livelihoods, and the Government's ambitious White Paper – which has led to requests for further Bank support.

51. **The TA covers three main activities. The first one, the Social Protection Support Program currently in its third phase of implementation, seeks to support social protection reform with a focus on building strong Social Safety Net systems, providing policy advice for pensions reform, and enhancing the links between humanitarian and development activities.** Over the past two years, the team worked with the Ministry of Labor and Social Affairs' (MOLSA) Social Protection Commission on assessing existing Information and Communication Technology (ICT) systems and infrastructure, cleaning the existing databases, as well as building the capacity of IT team in enhancing the cyber security and installation of servers. This milestone will allow the Ministry to secure its databases and manage more effectively its programs. In addition, the TA allowed for several key analyses: (1) an update of poverty and vulnerability assessment following the impacts of the pandemic and the fluctuation of oil prices, which was discussed, presented and shared with the Government in late 2020; (2) a report on the gaps between humanitarian and social protection beneficiaries following a field test done jointly with the Cash Working Group and recommendations for reform; (3) a report on findings from a behavioral intervention to enhance student learning through better parental practices at home, and finally; (4) a Pensions and Social Insurance Chapter as part of the recent HD PER, in which the main issues of the current pension system were analyzed, and recommendations for reform were provided.
52. **The second activity is a Private Sector Analysis and Skills Assessment based on three large surveys to understand the dynamics of the private sector, its role in job creation, and the skills that it requires in Iraq.** The first set of informal business activity surveys was launched in August 2021 in three of the four cities (Baghdad, Basra and Sulaymaniyah), with Najaf starting in December. The Enterprise Surveys (which include microenterprises in four cities, and small, medium, and large enterprises in 10 cities) were also launched in December 2021. This followed extensive

work over the previous year to establish a sample frame, relevant grids for the informal business surveys, digitalization and translation of questionnaires, and training enumerators and interviewers. The data collection is expected to be finalized by the end of May 2022. The launch of these surveys provides Iraq with a unique opportunity to understand its private sector job creation challenges, especially after the pandemic and economic downturn. It is also the first time that these WB microenterprise and informal business activity surveys have been conducted in Iraq and in the Middle East and North Africa region (MENA). The analysis and findings of these surveys will be discussed with the Government and disseminated in order to launch a substantial jobs agenda for the country in 2022.

53. **The third activity is TA for the design of an Economic Inclusion pilot** - which will now also be implemented through I3RF financing. The assistance focused on building consensus for the concept and interventions of the pilot, by bringing international experience to the client through presentations led by the WB and government officials from the MENA region on similar programs. Following a year of discussions with MOLSA, the pilot, beginning in 2022, will target at least 2,200 Cash Transfer Program beneficiaries in rural areas of ThiQuar to help them develop their self-employment activities. They will be supported through a series of subsequent and simultaneous interventions that include training, coaching, mentoring and in-kind asset transfer for their livelihood activities.

4.1.7 Reinforcing the Healthcare System in Light of the Pandemic

Relates to the Results of the Project: COVID-19 Response And Health System Strengthening (P174641)

54. **This project was endorsed and added to the fund's workplan in September 2020 in response to health priorities emerging from the COVID-19 pandemic.** It 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.** The initiative therefore aims to help the GoI address (i)

the urgent health needs in responding to the pandemic and; (ii) the medium-and long-term health sector reform priorities. It complements ongoing GoI and development partners' efforts in both areas.

55. **In 2021, significant progress was achieved under its 1st component "COVID-19 Emergency Response" which is an urgent priority given the unfolding pandemic.** The component includes 4 tracks which aim to "prevent", "detect" and "respond" to COVID-19, and provide "just-in time technical assistance" in health.
56. **Under the 1st track – "Prevent", a Communication Action Plan for COVID-19 vaccination was developed.** The team has also completed (i) the **first round of a Facebook survey** to explore attitudes related to COVID-19 vaccination in Iraq, and (ii) **an experimental online A/B testing** to identify effective messages for the communication campaign to increase vaccine acceptance. Results of the survey and A/B testing have been shared with the Government and other stakeholders.
57. **Under the 2nd track – "Detect" which supports the GoI to strengthen COVID-19 case detection, the project has produced four analytical reports: (i) an assessment of Iraq's COVID-19 surveillance systems; (ii) an assessment of COVID-19 testing in Iraq; (iii) a guidance document on COVID-19 testing strategies and algorithms; and (iv) an assessment of contact tracing in Iraq.** Since the delivery of these reports, 4 workshops on the use of different digital platforms in contact tracing (DHIS2, ComCare, OpenSRP and GO.DATA) have been conducted for MoHE. Two workshops on COVID-19 testing were also conducted for frontline laboratory technicians. Additional workshops on COVID-19 surveillance and testing are currently under development.
58. **Under the 3rd track – "Respond" which focuses primarily on COVID-19 case management, and includes TA to improve patient flow, as well as infection prevention and control (IPC) in health facilities.** The team developed an **IPC and patient flow assessment instrument** and deployed it in nine health facilities; the information collected was combined with multisource information gathering,

and reports on both IPC and patient flow were finalized and delivered to the MoHE. Dissemination workshops are currently being developed.

59. **In addition, the team has been providing additional just-in-time technical assistance (4th track) to support the COVID-19 response, with a focus on vaccination.** The project has provided support under the following areas: (i) **completion of a country readiness assessment for vaccination** using the integrated VIRAF/ VIRAT 2.0 tool; (ii) **development of the National Vaccination Deployment Plan (NVDP)** with all the key elements recommended by the World Health Organization which serves as

the blueprint for Iraq’s vaccination efforts in collaboration with WHO, UNICEF and other partners; (iii) **provision of technical inputs for the development of a digital client registry** for COVID-19 vaccination; (iv) **development of a social media listening platform** related to vaccination in Iraq using TalkWalker tool; (v) **technical review of Iraq’s National Strategy for Adverse Events Following Immunization** or AEFI; (vi) **a country workshop on oxygen safety** in healthcare settings; and (vii) **engaging Iraq in 10 regional workshops on COVID-19 vaccination** organized by the World Bank . Each workshop focused on a strategic aspect of vaccination (cf. Table 3).

TABLE 3:
REGIONAL WORKSHOPS ON COVID-19 VACCINATION

1.	Introduction and Vaccination strategies — Share best practices and lessons learned from current COVID-19 vaccination efforts and provide tools and practical suggestions for planning under extreme uncertainty
2.	Vaccine Financing — Estimate total costs of vaccine procurement and distribution and help countries assess key options and trade-offs for mobilizing domestic and external funds
3.	Procurement and Distribution Network — Provide overview of procurement landscape & emerging portfolios; discuss key considerations and implications of various distribution network archetypes
4.	Supply Chain Readiness — Discuss methods of strengthening and expanding supply chains for emerging portfolios of vaccines
5.	Administration & Follow-up: The Beneficiary Journey — Examine the journey of the beneficiary, considering digital tools and approaches to support it, with a focus on equity
6.	Costing & Human Resources — Review strategies on the COVID-19 vaccine costing process and key costing tools available; consider key levers to increase health care worker capacity
7.	Thinking for the Future — Share reflections and key takeaways from the workshops and bring together leading experts for a forward-looking discussion
8.	Building Vaccine Confidence
9.	Deploying Multiple Vaccines , using a portfolio approach
10.	Engaging Private Sector in Vaccine Delivery



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

60. 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.

4.2.1 Support for the Reform Management
Cell

Relates to the Results of the Project: Economic Diversification And Growth (cf. Focus on the Economic Reform Agenda section) (P176098)

61. **The GoI has requested the WB’s support to establish a Performance Framework to accelerate implementation of the WB Program for Economic Reform.** The World Bank has been supporting the RMC for the development of the Performance Framework through TA. This TA is to provide the RMC team with the needed global knowledge and international expertise to bolster their efforts in designing, implementing, and maintaining an effective performance system which will manage the progress made towards achieving the strategic objectives and the reform goals that are detailed in the implementation of the White Paper of the Reform Implementation Plan. **The project is supporting the design of the Performance Framework, assisting in identifying the critical Key Performance Indicators (KPIs) to be monitored, developing fit for purpose reports to decision makers, creating tools to identify actions when performance is off track, developing an electronic reporting system, helping in strengthening the engagement, coordination and communication with key stakeholders and finally assisting in increasing the RMC capabilities to implement and supervise these functions.**

4.2.2 Progress on Financial Sector Reforms

Relates to the Results of the Project: Iraq Financial Sector (P171615)

62. **The objective of the project is 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.** 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 SOBs and strengthening of banking sector licensing, regulation and supervision; National payments system strengthening; and National Money Laundering/Terrorist Financing (ML/TF) risk assessment. The second pillar will develop specialized finance with a specific focus on microfinance and housing finance.
63. **The progress of the project this year follows the TA which included inputs on banking sector reforms to the WB, recommendations on Corporate Governance Reforms in SOBs, recommendations and a detailed roadmap on Reform and Restructuring of SOBs, strengthening of the National Payments ecosystem and advisory support on Financial Integrity through the National Risk Assessment (NRA) on AML/CFT.** The continuing dependence of a majority of Private Banks on a single revenue source (FX arbitrage) is a cause for concern and a potential financial stability risk as these banks lack the capital to invest in systems, operations and human capital to offer a broad range of products and services.
64. **Under pillar 1, the deliverables related to the support to the implementation of recommendations of the Financial Sector Assessment Program Development Module (FSAP DM), are expected to focus on the reform strategy for state-owned banks and the strengthening of banking sector licensing, regulation and supervision. These will be defined post-FSAP DM issuance.** However, in 2021, the team maintained dialogue with CBI, MoF, and the Higher Committee for State Bank Reform as a follow up to the

recommendations presented in its SOB Reform and Restructuring Roadmap for the two largest Banks (Rasheed and Rafidain) and its Technical Note on Corporate Governance Reforms of SOBs. Progress has been made in 2021 spearheaded by the CBI to implement a number of key reforms as recommended by the WB including the drafting of new corporate governance bylaws for Rasheed and Rafidain. A dedicated SOB unit has been established at CBI and the MoF has agreed to an Asset Quality Review of the two largest banks. The team conducted virtual meetings with key stakeholders involved in the restructuring of state-owned financial institutions, and, at the request of CBI and MoF, the WB developed a ToR for an independent Assets Quality Review of the two largest state-owned financial institutions.

65. **Regarding the National Payments System Strengthening project,** two workshops and the draft implementation plan for digital onboarding and electronic Know-Your-Customer (e-KYC) were delivered in 2020. In 2021, the team produced a set of case studies on the regulation and oversight of e-money providers, a mapping of risks to the national payment system, guidance on relaunching the National Payments Council, a methodology to assess the international remittance ecosystem according to international standards, and proposals to modernize the CBI payment system oversight framework.
66. **Regarding the National ML/TF Risk Assessment, in 2020,** the team had delivered initial NRA training programs to eight NRA Working Groups of Iraqi officials. Due to restrictions imposed following the pandemic, the flow of the project was interrupted. **In 2021,** the WBG delivered eight refresher NRA Training Programs to the eight NRA Working Groups: (1) ML Threats; (2) National ML Vulnerabilities; (3) Banking Sector; (4) Insurance Sector; (5) Securities/Cap Mkts Sector; (6) Other Financial Institutions/Sectors; (7) Designated Non-Financial Businesses/Professions; and (8) TF Risks. The team is in continuous engagement with the FIU team/ NRA Working Group who are collecting and analyzing data/info from various sectors to complete ML and TF threat and vulnerability analyses.

67. **Under pillar 2, the Microfinance Sector Development** component of the project, the team provided extensive TA (Feasibility study, New Products, Process flows, TORs, Ops Manuals, Capacity building etc.) to MOLSA to establish a pilot microfinance unit as part of the Emergency Social Stabilization and Resilience Project (ESSRP). Unfortunately, the project has been suspended since January 2021 and is now cancelled. The team provided extensive TA (OPS Manual, Process Flows, TORs for key staff, Capacity Building, KPIs, Policies and Procedures etc.) to the MoP to set up a microfinance unit under the Social Fund for Development (SFD). Unfortunately, the project has been delayed as the SFD Law is yet to be approved in Parliament. The MoP informed the WB of the intention to drop Component 2 (TA to set up the SFD MF unit) and reallocate its funds to Component 1 due to governance related issues. In view of the aforementioned, and in response to the impact of the COVID-19 pandemic on the Micro, Small and Medium Enterprises (MSMEs) sector, the team shifted the activity of supporting the development of the regulatory framework for MSMEs and has incorporated this activity as part of the COVID-19 Adaptation and Recovery Pilot (CARP): Supporting Firms’ Resilience, Access to Finance and Growth in Iraq. This will be achieved by providing TA to the CBI to establish a Non-Banking Financial Institutions (NBFI) Unit and support to draft a Law/Regulation on NBFIs to assist these firms (including MFI) to access finance and improve financial inclusion.
68. **Under the Housing Finance Advisory,** the team is in the final stages of drafting a policy note to support the GoI to develop sustainable housing finance in the medium to long-term to address the diverse needs of the population segment who do not have access to adequate housing and share experiences from other countries on approaches to housing finance in the context of reconstruction and developing sustainable long-term financing. The note will be a starting point for discussions with counterparts about structural reforms in the housing finance sector, and institutional reform in organizations such as the Real Estate Bank of Iraq or the Housing Fund. The team prepared a specific background paper on housing finance under the FSAP DM which

made use of ongoing work and analysis funded under this activity, and plans to disseminate the recommendations of the Technical Note through a series of virtual/onsite events.

4.2.3 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)

69. **The MoF requested the WB’s assistance in the General Commission for Taxes (GCT) automation in order to support with the acquisition of an integrated tax administration IT system (ITAS), RFP, and Procurement. The WB proposed a roadmap which outlines a sequence of potential actions** to secure WB support, along with the relevant technical work and activities. The proposed roadmap considers:
- The services requested for the research, design, development, and end-to-end advisory services for procurement activities.
 - The services required to ensure impartiality and the use of internationally established good practices.
 - No external financing for an ITAS is required as the MoF will secure that resource through regular budget processes.
 - While broad tax administration reforms are often linked to ITAS acquisitions, the elimination of paper-driven manual core processes is an urgent priority for GCT.
70. The roadmap has been reviewed and discussed with both the MoF and GCT during a workshop held on July 28, 2021. The team is still engaged with the GCT and will provide support until the finalization of the bidding document signaling the acquisition of an ITAS. **This will all be within the framework of the Tax Administration Diagnostic Assessment Tool assessment.**

4.2.4 Adoption of the National Reform Agenda for Improving the Business Environment in Iraq

Relates to the Results of the Project: Enabling Environment For Small And Growing Businesses (P171175)

71. **This activity aims to improve the regulatory environment for firms, leveraging the Business Environment framework, and focusing on areas in which Iraqi small and growing businesses are most likely to face uncertainty, complexity, and obstruction.** The project provides (i) advisory support for horizontal improvements in the overall business environment, including Doing Business reforms and beyond; (ii) advisory support to develop a policy agenda for small and growing enterprises; and (iii) technical assistance to implement selected interventions based on this policy agenda. **The work under this project led to the adoption of the Private Sector Chapter in the White Paper which includes the National Reform Agenda for improving the Business Environment in Iraq.**
72. **In 2020, the activity produced 10 reform memos covering Iraq's business environment and the National Agenda for Improving the Business Environment in Iraq which constituted the roadmap for reform and included the activities, steps, timing, responsibilities and resources needed for the implementation of each reform.** Reform priorities were identified jointly with the GoI through a series of 10 virtual workshops. That same year, the project consulted with over 200 main stakeholders in Iraq's private sector and published a paper in the Iraq Economic Monitor titled "Laying the Foundation for a New Economy in Iraq: Digital Transformation". A series of five COVID-19 webinars targeting 230 MSMEs were completed, and entrepreneurship intermediaries received capacity building, early-stage financing workshops and business angel investing.
73. **In 2021, the project supported the establishment of a new Higher Committee to lead the implementation of the National Agenda for Improving the Business Environment in Iraq** (former committee was dissolved last year). The Higher Committee was established by a decision in June 2021

by the Secretary General of the Council of Ministers and led by his deputy Dr. Farhad Nematullah Hussein. The Higher Committee is an inter-ministerial body who reports directly to his Excellency the Prime Minister and composed by high government officials representing different government entities that plays an essential role in the areas of business environment. The Committee's mandate is to work on our proposals of legislative instruments, new policies, and development of new systems aimed at improving the business environment in the country.

74. **In the same year, the project produced a Policy Note on Priorities for Small and Growing Businesses and presented it to the MoF in August. The objective of this policy note is to present the state of the private sector and identify key stakeholders to provide financing, in preparation for the design of a private sector fund.** The policy note covers the small and medium enterprises sector in Iraq and identifies policy and business environment reforms and interventions for firms with innovative and growth potential by providing (i) an overview of the sector including a status description of supply and demand; (ii) gaps and obstacles assessment building on qualitative research and analysis; and (iii) proposed reforms and opportunities for firm growth. **This policy note proposes key fund characteristics to address the challenges and obstacles facing the private sector.** The fund will be developed to spur private sector growth and foreign investment by targeting firms with growth and innovation potential. Similar models have been applied in other countries in the MENA region such as Jordan, Lebanon, Morocco, Tunisia and Egypt. The policy note builds on data from virtual interviews and focus groups held in 2020.
75. **This BE activity is linked to an RE component aiming to support 1,360 MSMEs to receive financing through the project.** This will improve the operations of four financial intermediaries, support 135 beneficiary MSMEs to adopt new business solutions or products, and mobilize US\$4.35 million of private capital through the project.



4.3 PILLAR 3 — COORDINATION AND PROGRAM SUPPORT

76. 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.

4.3.1 Monitoring the Impact of COVID-19 on Iraqi Households and Businesses

Relates to the Results of the Projects: Building Evidence For Policy Making (P170264) and the Social Protection And Jobs For Poor And Vulnerable Iraqis (P171639)

77. Iraq faced the dual shock of the COVID-19 pandemic and a collapse of oil prices in 2020. **To monitor the impact on Iraqi households and businesses in these turbulent times, and provide relevant and urgent information to all stakeholders, the WB initiated two sets of rapid phone surveys in 2020 and 2021.** These surveys leveraged expertise and collaboration with the WFP and their infrastructure in Iraq. They were financed by the multi-donor Trust Fund for Statistical Capacity Building and the I3RF, as well as the Joint Data Center on Forced Displacement.
78. **The first set of surveys focused on monitoring the impact of COVID-19 on households, running over nine months (August 2020 to January 2021, and June to August 2021), including displaced persons.** The findings showed that the crisis severely impacted the economic wellbeing of Iraqis. **Unemployment spiked, particularly among the displaced, returnees and women jobseekers, and persons who were self-employed or working as informal wage workers prior to the crisis. Risks related to household food security and access to healthcare and daily market increased.** Moreover, only a small share of school-aged children received any catch-up or learning activities during school closures. As the economy slowly began to come out of the depths of the crisis and open up again, these concerns eased, but remain elevated. The disproportionate impact of this dual shock

on vulnerable groups, and its consequences on child-learning and health care services be persistent, and impacts are likely to be felt for a long time.

79. **The second set of surveys focused on monitoring the impact of COVID-19 on businesses, running over three months (October to December 2020). The results show that seven months into the pandemic, only half of surveyed firms in Iraq were operating their usual hours.** Firms reported a decrease in revenues and, to a lesser extent, in demand for supplies. However, worker layoffs were less common. Firms reported significant challenges in paying their utilities, rent and loans. The top two coping mechanisms to this cash flow contraction have been dipping into retained earnings and borrowing from family and friends. Lastly, only a third of firms reported having started or increased online sales, with many reporting issues with network reliability. While these challenges are expected to have eased into 2021, the results highlight structural weaknesses in Iraq’s private sector.
80. **The information gathered and analyzed through these activities can directly serve the recovery response to the pandemic and economic downturn and support the operationalization of the Gol’s White Paper.** It can also serve as a valuable input into a more long-term and sustainable data system for the country. Microdata are released to the public through the WB Microdata Library and reports through the WB Knowledge Repository.

4.3.2 Promoting a Peacebuilding and Citizen Engagement Lens

Relates to the Results of the Project: Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction (P173326)

81. **This project aims to provide the analytical foundations and operational support to promote peacebuilding across ongoing and future WB interventions in Iraq.** It is structured around three components: (i) Deepening understanding and analysis of FCV dynamics; (ii) Operationalizing a “peace lens” to integrate peacebuilding, governance and political economy issues in the portfolio;

and (iii) Piloting and mainstreaming citizen engagement approaches.

82. **In 2020, while the Peacebuilding and Citizen Engagement Project had not formally been launched in its entirety, a number of activities to support the objective of the I3RF peacebuilding and citizen engagement cluster took place.** These include: (i) A **political economy analysis** of Iraq’s budget processes that has informed the Bank’s dialogue and operations in the area of public financial management reform; and (ii) a **country-level analysis of fragility, conflict and political economy dynamics** was conducted based on in-depth consultations with experts, use of a wide range of data sources and the commissioning of dedicated background papers (e.g., on the political economy of Iraq, analysis of spatial inequalities). The analysis was published as part of the Iraq Country Economic Memorandum (CEM) “Breaking out of Fragility”.
83. **In August 2021, an FCV risk monitoring framework aiming to guide monitoring activities was produced by a selected third-party entity. In line with the framework, a baseline assessment of risks was completed which outlines the risk landscape as of September 2021, and provides several risk pathways for how FCV may evolve in the context of Iraq going forward.** This baseline risk assessment was followed by the first monthly risk briefs, and the first quarterly risk brief produced for September-November 2021, which analyzed developments in key risk areas, provided an outlook for the coming months, and identified potential implications for the WB. The purpose of this activity is to increase situational awareness of WB staff on salient developments in Iraq by monitoring and analyzing on-going events and tensions, and informing the country team of emerging risks.
84. **The project also aims to create an online dashboard that will provide access to key FCV manifestations (e.g. conflict incidents, protests) and underlying risk drivers (e.g. perception data on grievances over service delivery, economic opportunities).** It will also integrate additional data sources (e.g. on poverty, forced displacement) to enable users to make important cross-linkages

between contextual conflict-related risk information and more standard development and vulnerability data. In light of this a series of stakeholder consultations took place over July to September 2021 to identify existing risk monitoring initiatives in Iraq, to learn from the lessons of previous efforts to build dashboards in other FCV contexts, and to ensure that the dashboard would be tailored to inform projects design. The pilot form of the dashboard will be presented by the end of 2021 with plans to collaborate with the PTI, GEMS and P360 teams. In addition, two learning events have been organized (i) on the political economy of the 2022 budget and (ii) on the outcome of the 2021 election.

85. **In relation to mainstreaming Citizen Engagement, the team is currently supporting 3 different projects and is in discussions with others for possible support.** The team is supporting the Transport Corridor Project (TCP) level communications and monitoring platform, by developing a module to enhance Citizen Engagement processes. Under the EODP, the team is providing technical support for the project’s grievance redress mechanism and beneficiary surveys. In preparation for the Country Climate and Development Report (CCDR) the team is providing technical support for the design and implementation of the stakeholder engagement process. The team is also in the process of delivering a dialogue event on climate change with civil society as part of the Citizen Engagement efforts of the project.

BOX 1: THIRD PARTY MONITORING AGENT SUPPORT FOR WORLD BANK FINANCED PROJECTS IN IRAQ IN 2021

Third Party Monitoring Agent (TPMA) support for WB financed projects in Iraq (P174399) plays a key role in increasing fiduciary and technical oversight, particularly in hard-to-access areas, and is a key tool to strengthen fiduciary capacity to manage public funds with efficiency and integrity.

TPMA Support in Iraq at a glance 2021		
Post-Site Visits Factsheets	Monthly Reports	Annual Reports
103	16	1



05

THE I3RF PORTFOLIO

COVID-19 RESTRICTIONS CONTINUE TO IMPACT I3RF OPERATIONS:

86. The COVID-19 pandemic has impacted the launch and implementation of several projects. The lockdowns, and inability to travel to or within Iraq has limited the ability of WB staff, consultants, contracted firms and Government counterparts to progress, as planned, on projects. However, with the easing of restrictions many local staff and consultants based in Iraq will be able to meet with Government counterparts and support implementation of projects. It is expected that in the coming year progress under the portfolio will pick up. Similarly, when international travel and in-country quarantine restrictions ease at the World Bank provided accommodations, many of the international staff should be able to travel more frequently to Iraq.

I3RF RECIPIENT-EXECUTED ACTIVITIES UPDATE:

87. Three RE activities were able to have their grant agreements signed in 2021 and one is pending fulfilling the respective conditions to be declared effective. These are the (1) Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring – declared effective; (2) COVID-19 Adaptation and Recovery Pilot for MSMEs in Iraq – declared effective; and (3) Iraq Household and Socioeconomic Survey (IHSES) III. Several other RE projects are in the preparation and appraisal phase and are pending grant agreement signing by the MoF, before they can be considered effective, and work can begin.

TABLE 4:
ACTIVE PROJECTS 2021

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	1,000,000	
Social Protection and Jobs for Poor and Vulnerable Iraqis	BE	1,450,000	
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	
2.3 Enabling Environment for Small and Growing Businesses			
Enabling Environment for Small and Growing Businesses	BE	2,200,000	
2.4 Enabling Environment for Small and Growing Businesses			
COVID-19 Adaptation and Recovery Pilot (CARP) for MSMEs in Iraq	RE		15,000,000
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	
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 5:
PIPELINE PROJECTS 2021

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	RE		5,000,000
1.3 Human Capital and Employment			
Innovations Towards Learning in Lagging Iraqi Governorates*	RE		10,000,000
Support to Tertiary Education in Iraq	RE		5,000,000
Protecting and Promoting Human Capital in Iraq - The Economic Inclusion Pilot	BE/RE	600,000	4,400,000
Iraq Road Maintenance Microenterprises Grant Project	RE		5,000,000
Pillar 2: Economic Diversification and Private Sector-Led Growth			
2.1 Economic Diversification and Transformation			
Debt Management for Recovery and Development**	RE		3,000,000
Pillar 3: Coordination and Program Support			
3.2 Evidence and Data on Poverty, Vulnerability and Displacement			
Iraq Household and Socioeconomic Survey (IHSES) III	BE/RE	610,000	4,360,776

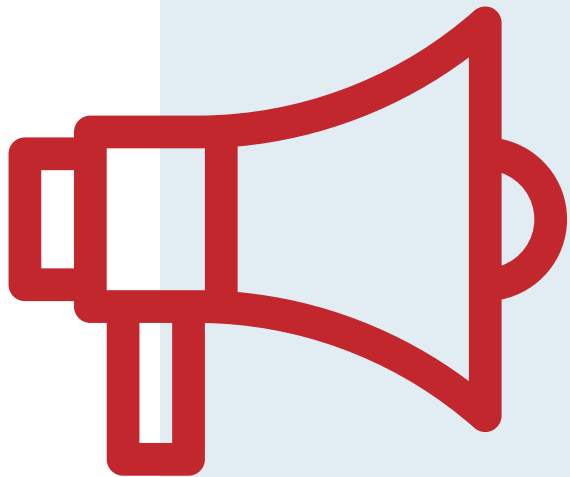
* Name changed from Innovation toward Learning in Iraq through a Community Approach to Mitigate Learning Loss

**Please note that this project might incur implementation modality changes

88. Two projects under the I3RF portfolio were endorsed as part of the initial Work Plan in May 2019 but are being re-discussed with MoP to confirm their validity: (i) Strengthening Planning, Coordination and Monitoring of Reconstruction Efforts, and (ii) Peacebuilding and Citizen Engagement – RE.

06

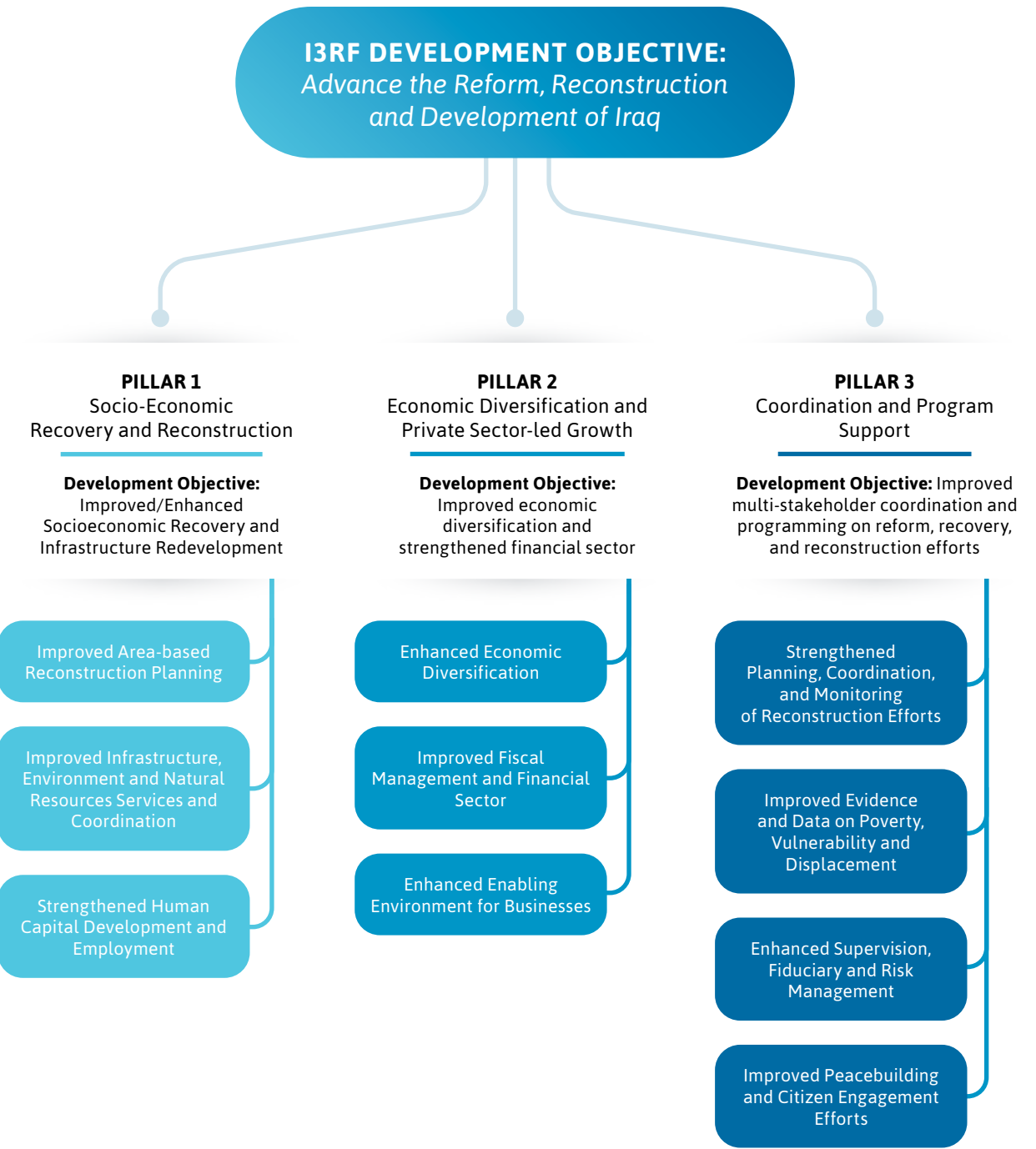
OPERATIONAL
UPDATES



6.1 THE RESULTS FRAMEWORK

89. The Results Framework is a living document which is regularly updated as the portfolio of the I3RF evolves and as projects become effective.

FIGURE 2: THE I3RF THEORY OF CHANGE



6.2 THE OPERATIONS MANUAL AND THREE REPRESENTATIVES TO THE STEERING COMMITTEE

90. In September 2021, the I3RF's operations manual was updated in consultation with MoP and I3RF donors. The updates were endorsed at the 7th Steering Committee meeting and the changes were circulated to all partners and the Government, in both Arabic and English. An important change to note is the inclusion of external partners in Steering Committee meetings of the I3RF, an arrangement that was originally included in the operations manual but was not applied. The I3RF Secretariat re-established contact with the UN resident coordinator and MoP nominated one private sector representative to join Steering Committee meetings as observers/non-voting partners. MoP also nominated a focal person from MoF to join Steering Committee meetings going forward.

6.3 BRANDING AND COMMUNICATIONS

91. In collaboration with the MoP, the I3RF secretariat has developed an operational strategy for communication which was officially approved by the MoP on November 8, 2021. It identifies the different target audiences with the relevant channels and tools, covers the objectives of the strategy and its main messaging themes, and highlights the phased approach that will be adopted to implement the strategy efficiently, timeously, and with consideration for the country context. In parallel, the visual identity of the Fund has been finalized in close consultation with the MoP Media and Communications Department.

6.4 LAUNCH OF THE I3RF THEMATIC DISCUSSION SERIES

92. **The I3RF Thematic Discussion Series was launched in 2021 and three thematic technical discussions were held as part of the I3RF's role as a platform for coordinated financing and dialogue on Reform, Recovery and Reconstruction.** These sessions were held as part of the **I3RF Thematic Discussion Series** in cooperation with the Steering Committee, relevant line ministries and UN agencies. The I3RF Thematic Discussion Series provide a space for knowledge sharing, exchanging best practices, facilitating discussion and developing national agendas. The sessions were held virtually due to COVID-19 and brought together Gol counterparts, I3RF donors, development and humanitarian partners and experts from the WB.
93. In 2021, the I3RF increased its focus on two thematic areas in response to national needs: **Climate Change and the Environment** and the **COVID-19 Response**.
94. **Iraq is highly vulnerable to the impacts of climate change (droughts, heat waves/stress, floods, sea level rise) and this has consequences for human capital development, water and agriculture. In light of this, the I3RF organized a discussion session in May, 2021 entitled "Climate Change and the Environment in the Mashreq and Iraq".** The session was co-chaired by MoP and the World Bank, in collaboration with MoHE, and aimed to discuss and identify a roadmap of actions that Iraq can take to mitigate and adapt to climate change. It was also attended by I3RF donors, national government institutions, humanitarian and development partners, and WB technical experts. The meeting highlighted the importance of focusing on the vulnerable groups affected by the compounded crisis, and stressed the need for a more coordinated response to reduce the impacts of climate change in all sectors in support of Iraq's National Determined Contributions (NDCs).

95. In support of the Gol in addressing the COVID-19 pandemic, the project of **"COVID-19 Response and Health System Strengthening"** was endorsed by the I3RF Steering Committee for a budget of US\$5,000,000. The project began implementation in August 2020 in close cooperation with MoHE. The two key components of the project focus on the COVID-19 emergency response and improving access to quality healthcare services. A discussion session was organized to discuss the Gol response and issues faced in the health sector. The technical teams also provided a progress update on this project and the findings of the Facebook Survey on

COVID-19 Vaccine Hesitancy. The meeting was attended by MoP, MoHE, I3RF donors, the WB project team, and I3RF Secretariat. This exchange has prompted more coordination and support from stakeholders to maximize efficiency and support Iraq to overcome the COVID-19 crisis.

96. Going forward, the I3RF aims to strengthen the reach and diversity of its discussion series with a focus on citizen engagement, peacebuilding, climate change and the environment, gender equality and women's empowerment in order to inform the policy debate around Reform, Recovery and Reconstruction in Iraq.

TABLE 6:
TECHNICAL AND THEMATIC DISCUSSIONS HELD IN 2021

Thematic Discussions
Climate Change and the Environment (May 24, 2021)
Iraq COVID-19 Response and Health System Strengthening Project (May 26, 2021)
The Civil Society Consultation and Dialogue on Climate Change in Iraq (December 20, 2021)
Technical Discussions
Innovations Towards Learning in Lagging Iraqi Governorates (January 26, 2021)
Energy and Extractives: Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements (January 27, 2021)
Enabling Environment for Small and Growing Businesses (January 29, 2021)
Iraq Household and Socioeconomic Survey (IHSES) III (February 9, 2021)
Economic Inclusion Pilot (EIP) (February 10, and June 3, 2021)
Economic Diversification and Growth – discussion between MoP and WB team (June 30, 2021) & with donors (August 31, 2021)
The Iraq Household and Socioeconomic Survey (IHSES) III – discussion between MoP and WB team (July 12, 2021) & with donors (August 2, 2021)
Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring (TPM) (August 23, 2021)
Support to Education and Skills Development in Iraq – Additional Financing (September 7, 2021)
Economic Diversification and Growth – coordination meeting with GIZ (September 15, 2021)

6.5 CLIMATE CHANGE AND THE ENVIRONMENT IN THE I3RF PORTFOLIO

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

97. **Through its three pillars of engagement, the I3RF is mainstreaming climate considerations into existing and future projects that seek to contribute to Iraq's reform, recovery, and reconstruction.** The I3RF will support the climate agenda through (i) mainstreaming climate change and environment in its portfolio by focusing on mitigation and adaptation and (ii) supporting data collection, knowledge sharing and dialogue around Climate Change and the Environment in Iraq. As part of this, I3RF has identified ongoing operations/activities in its portfolio with climate change mitigation/adaptation potential and has integrated reporting climate change related Co-Benefits from relevant sector teams.
98. **Iraq was identified as the most vulnerable country to climate change in the MENA Region³.** Increasing temperatures, decreasing precipitation, droughts and desertification, and other extreme phenomena are impacting human health and key sectors such as water and agriculture, and undermining efforts to decrease poverty and increase shared prosperity. Iraq has, through its intended NDCs, committed to prioritize climate action in water, coastal areas, forest and land use sectors. For Iraq to fully recover and rebuild from current conflicts, robust measures to reduce climate risks and enhance resilience of the already fragile and most vulnerable communities and sectors is critical.
99. The GoI has demonstrated a strong commitment to climate action and its NDCs³, and the I3RF is working alongside the Government to strengthen collaboration and coordination among key stakeholders for efficient, appropriate and sustainable solutions.
100. **Iraq has recently been added to the list of countries in which a Country Climate and Development Report (CCDR) will be**

produced to inform climate change and environment programming. The CCDR is a new core country analytics product, done in consultation with GoI, private sector, experts and civil society organization, that will help identify and inform opportunities for climate action by the public and the private sector, so that Iraq's development goals can be achieved in the context of sustainability. The CCDR is intended to complement and be coordinated with other country core analytics. The objective and focus of the CCDR is to capture the interplay between each country's development goals and climate change, in the context of the Paris Agreement and the GoI, the WBG and other development partners' commitment to align their portfolios to its objectives. The CCDR will analyze how the country's development goals can be achieved in the context of mitigating and/or adapting to climate change. It is expected to be an analytical piece, based on rigorous data, analysis, and research. CCDRs will also consider and reflect the country's commitments as embedded in their NDCs or longer-term domestic and international commitments, and identify ways to support implementation through public and private sector solutions.

101. A discussion session was organized as part of the I3RF Discussion Series on May 24, 2021 entitled "Climate Change and the Environment in the Mashreq and Iraq"(For more information, cf. Section on the Launch of the I3RF Discussion Series). I3RF is also working closely with WBG's task team preparing 'Country Climate and Development Report (CCDR)' for Iraq. **More details on climate change and environment contributions per project are found in the Progress Overview per Project annex of this report.**



³ Nationally Determined Contributions of Iraq on Climate Change. [Link](#)

TABLE 7:
I3RF CONTRIBUTION TO IRAQ’S NATIONALLY DETERMINED CONTRIBUTIONS

List of I3RF Projects Contributing* to the NDCs of Iraq	
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
4.	Support to Manage Environmental Pollution Hotspots in Iraq
5.	Iraq Road Maintenance Microenterprises Grant Project

*Directly or Indirectly

6.6 GENDER EQUALITY AND WOMEN’S EMPOWERMENT IN THE I3RF PORTFOLIO

Details on the contribution to Gender Equality and Women’s Empowerment per project can be found in Annex 3 – Progress Overview Per Project

102. **In 2020, the I3RF assessed its portfolio to ensure that a strong focus on promoting gender equality and advancing women’s empowerment is maintained across projects.** The Fund aims to ensure that activities financed through the I3RF (i) provide more space for women and girls to benefit equally from the opportunities and resources made available through the Fund; (ii) improve the collection of data and analysis to identify gender gaps, measure gender-disaggregated data, where relevant; and (iii) support activities which contribute to closing the gender gap.

103. **The I3RF Secretariat is working with the Mashreq Gender Facility (MGF) on supporting existing and upcoming I3RF projects in addressing gender gaps through their activities, and ensuring women benefit equally from the implemented projects.** A series of discussions were held with the different teams involved in May 2020 in order to align visions and agree on action points. The I3RF Secretariat, in coordination with sector teams, has collected more granular data on the gender gaps identified and addressed through the projects to allow for an easier follow up on this mainstreamed dimension. All new projects proposed to the Fund are required to report with a higher level of detail on their contribution to closing identified gender gaps and empowering

women’s economic inclusion through the activities identified by the I3RF projects. The I3RF Secretariat, with the support of the MGF, is collaborating with sector teams on the integration of gender considerations in project design and implementation.

104. Active projects under the I3RF are contributing to gender equality and the empowerment of women and girls through technical assistance, improving policy-relevant data, improving laws and capacity building.
105. **In the education sector,** gender-nuanced learning interventions based on the findings of the SDI, PER and INES are expected to benefit girls and women. Collecting data on learning outcomes under the SDI, will enable the GoI to analyze these outcomes against measures of equity (including gender) and to make strategic, cost-effective decisions to support marginalized and vulnerable groups, among whom are girls. In addition, the Recipient-Executed education projects under the Fund will further support evidence-based education policies by generating gender-disaggregated data and addressing the unemployment of females with tertiary education.
106. **In the agriculture sector,** the I3RF in collaboration with the MGF, will contribute to developing a women’s empowerment in

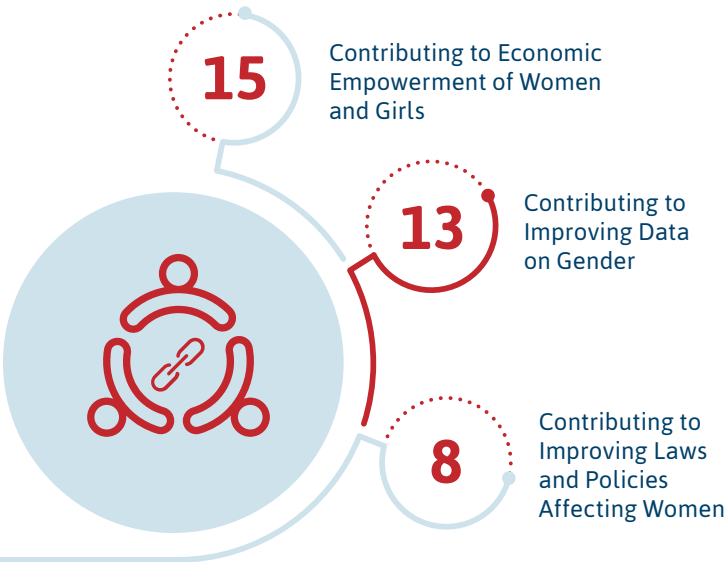
agriculture index (WEAI) adjusted to the Iraqi context, a gender-differentiated impact of COVID-19, and moving towards gender parity in the agricultural sector by piloting WEAI. WEAI can measure women’s empowerment and inclusion in the agricultural sector and inform policy. WEAI was launched by IFPRI, the Oxford Poverty and Human Development Initiative (OPHI), and USAID’s Feed the Future in February 2012, and was the first comprehensive, standardized measure of women’s empowerment and inclusion in the agricultural sector.

107. **In the health sector,** activities are ensuring that the needs of Iraq’s women and girls are addressed. The development and costing of a primary healthcare package of services will prioritize reproductive health, maternal and child health, mental health, psychosocial support, and gender-based violence interventions. The assessment and redesign of patient flow at health facilities under Component 1 will help reduce disruptions caused by COVID-19 to essential services such as maternal and reproductive health. All analytical work and any M&E framework developed through the project will have gender disaggregated indicators and targets where applicable.
108. **The Economic Diversification and Private Sector-led Growth pillar** mainstreams gender in financial sector reforms and the CARP, and incorporates activities supporting women-

owned businesses. In the financial sector, the 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. The Economic Inclusion Pilot (EIP) also contributes to the economic inclusion of women and it expects 45 percent of its beneficiaries to be females. Collaboration with the MGF on this aspect is ensured.

109. **In the support to poverty targeting and programming,** the upcoming labor-force-survey, I-WISH and IHSES-III will produce data that allows for a better understanding of gender gaps across development outcomes. IHSES-III is designed to measure various welfare indicators by gender. Therefore, the activity will strengthen the evidence-base for interventions targeting women, both generally and in the context of the pandemic. The CEQ-light will reveal the distributional impacts of fiscal policies on women in Iraq. The activities also contribute to the improvement of the targeting of poor female-headed households in Iraq.
110. **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.

TABLE 8:
GENDER EQUALITY AND WOMEN’S EMPOWERMENT IN THE I3RF
(Active and Pipeline)





07

FINANCIAL HIGHLIGHTS

111. The I3RF was established administratively in November 2018 and the total in donor contributions pledged from Canada, Germany, Sweden and the UK is US\$123.40 million, of which US\$94.17 million has been paid, with outstanding contributions of US\$29.23 million to be received by the Fund in 2022 and 2023 as per the contribution schedule agreed upon in the Administration Agreement with donors. Sweden became a new donor in 2021 for a total contribution of US\$4.61 million of which US\$3.51 million has been received.

112. The Fund has earned US\$1.23 million in investment income⁴ 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\$0.85 million as administrative fee for Recipient- Executed Trust Funds.

113. In 2020, grants were approved for a total of US\$8.32 million under the Fund, including US\$6.36 million in Recipient-Executed Trust

Funds for project preparation, Technical Assistance, Analytics and Advisory and COVID-19 response. By December 31st, 2021 the I3RF had disbursed US\$13.30 million, under active Bank-Executed Trust Funds. There have been implementation delays and lower than expected disbursement due to the continuing impact of the COVID-19 pandemic and delays in signing RETF Grant Agreements.

114. The Fund also has a pipeline of projects for US\$42.97 million with US\$1.21 million for Bank-Executed Trust Funds and US\$41.76 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.

115. 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 GoI in projects related to emerging priorities.

⁴ 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 9: I3RF FINANCIAL HIGHLIGHTS 2021

Financial Highlights (All figures in millions)	
Funds Committed by Development Partner(s)	Period Ended December 31, 2021
Germany	US\$60.50
The United Kingdom	US\$47.36
Canada	US\$10.93
Sweden	US\$4.61
Funds Received from Development Partner(s)	
Germany	US\$48.63
The United Kingdom	US\$31.10
Canada	US\$10.93
Sweden	US\$3.51
Investment Income Credited	US\$1.23
Total Fund Available	US\$95.40
Total Funds Committed*	
Bank-Executed Trust Funds	US\$28.90
Recipient-Executed Trust Funds	US\$26.36
Funds set aside for contingency purposes	US\$6.00
Disbursements	
Bank-Executed Grants	US\$13.30
Recipient-Executed Grants	US\$0.00
Recipient-Executed Grants *(Fee component)	US\$0.85
Cash balance	US\$19.99

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

TABLE 10: I3RF INDICATIVE BUDGET AND ACTUAL DISBURSEMENT 2021

Indicative Budget and Actual Disbursements (All figures in millions)		
Bank-Executed Activities & Recipient Executed Activities	Indicative Budget*	Period Ended December 31, 2021
Program Management and Administration**	US\$6.75	US\$2.54
Coordination and Program Support Window	US\$11.47	US\$1.48
Economic Diversification and Private Sector-Led Growth Window	US\$26.4	US\$3.88
Socio Economic Recovery and Reconstruction Window	US\$52.4	US\$5.40
Total	US\$97.02	US\$13.30

*The Indicative Budget is based on the latest endorsed Work Plan. The numbers 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.

** This includes the I3RF Project Preparation and Implementation Support



08

LOOKING AHEAD

116. The calendar year 2021 ended with the signing of three RE activities from the I3RF portfolio and it is expected that in the coming year these activities will advance in their implementation leading to an increase in disbursements. The intention is to prioritize RE activities which are strategic priorities for the GoI and which support the implementation of reforms as outlined in the White Paper. BE support to the GoI will continue to inform and support the implementation of priority programs and the White Paper of Iraq. To ensure strong ownership by the GoI in the selection of I3RF programs, it was agreed that new projects or analytical works to be financed under the I3RF will first be reviewed and put forward by the MoP to the I3RF Steering Committee for consideration. Following this, a technical session will be held to discuss technical details with the MoP, relevant line ministries, I3RF donors, and other relevant stakeholders working on similar activities in Iraq. The proposals will then be considered for endorsement at the Steering Committee meeting which will continue to be organized on a quarterly basis.

ANNEX 1 – I3RF RESULTS INDICATORS FOR 2021



This table reports on the results of the I3RF as per the Results Framework. The Results Framework is currently being discussed with MoP and partners and will be updated regularly. For more details on the deliverables reported on in the table below, please refer to the Results and Highlights section or to the Progress Overview per Project in the Annex. For more details on deliverables achieved in 2020, please refer to the I3RF Annual Report for 2020 - Annex 1.

Indicator	2020 Results Achieved	2021 Target	Status & Results Achieved	Project Name, Result and Date
Pillar: Socio-economic Recovery and Reconstruction				
Outcome: The preparation and implementation of socio-economic recovery and reconstruction programs are enhanced through analytic support, innovative pilot programs and targeted co-investments with IBRD financed lending operations				
Number of analytical works (studies, assessments, and/or policy guidance) completed as basis for recovery, reconstruction and development investments – per year	2	14	Exceeded (15)	1. Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - Stakeholder Mapping
				2. Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - Climate Risk Review
				3. Social Protection & Jobs for Poor and Vulnerable Iraqis - Short Term Impact of COVID-19 on Enterprises in Iraq (July 2021)
				4. Water Supply and Sanitation Utility Reform Technical Assistance - Iraq Water Resources Planning and Investment Analysis
				5. Water Supply and Sanitation Utility Reform Technical Assistance - Roadmap for the Digital Transformation of WSS Delivery
				6. Revitalizing the Agriculture Sector in Iraq - 4 Biweekly Reports
				7. Revitalizing the Agriculture Sector in Iraq - 1 Quarterly Food Security Monitor
				8. Revitalizing the Agriculture Sector in Iraq - Policy Paper in the Agrifood Sector in Iraq
				9. Support to Manage Environmental Pollution Hotspots in Iraq - Satellite Mapping of 77 Hotspots
				10. Support to Manage Environmental Pollution Hotspots in Iraq - Priority Sites Identified for Detailed Mapping
				11. Support to Education and Skills Development in Iraq - National Education Strategy (December 2021)
				12. Support to Education and Skills Development in Iraq - Education Reform Plan (July 2021)

Indicator	2020 Results Achieved	2021 Target	Status & Results Achieved	Project Name, Result and Date
Number of Area Based Approach plans prepared by Project Management Teams (PMTs) - per year	N/A	2	Achieved (2)	Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - Assistance to prepare investment plans for Anbar and Nineveh (funded by EODP) which are inclusive and follow an Area-Based Approach to reconstruction
Capacity of Ministry of Health and Environment improved to identify and prioritize investments for the remediation of environment pollution hotspots in Iraq	N/A	Yes	Achieved (yes)	Support to Manage Environmental Pollution Hotspots in Iraq - Intermediate target: Conducted a comprehensive eight module training for 30 officials at the Ministry of Environment (April 2021)
Strategic Framework developed for remediation of environment pollution hotspots in Iraq	N/A	Yes	Delayed	Support to Manage Environmental Pollution Hotspots in Iraq - This has been delayed. Due to the COVID-19 pandemic and security concerns, field work was halted from 2020 until mid 2021 - the project has been extended to December 2022
Number of water utilities with improved financial viability (assessed based on improved service provider operating-cost coverage ratio, in percent) - cumulative	N/A	No target	Exceeded (2)	Water Supply and Sanitation Utility Reform Technical Assistance – No results were expected for 2021; the following intermediate targets were achieved - Phase 1 completed: Implementation of: 1. customer relations management and; 2. billing system at BWA and BWD
Bank Energy team to complete a comprehensive technical and economic analysis report	N/A	1	Delayed – Undergoing Finalization	Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements - A first draft of the report has been completed and is undergoing further review and discussion.
National COVID-19 Vaccination and Deployment Plan (NVDP) developed	N/A	Yes	Achieved (yes)	COVID-19 Response and Health System Strengthening - NVDP was developed

Indicator	2020 Results Achieved	2021 Target	Status & Results Achieved	Project Name, Result and Date
Number of Facebook surveys to assess COVID-19 vaccine hesitancy - per year	N/A	2	Achieved (2)	COVID-19 Response and Health System Strengthening - 1. Facebook survey on vaccine hesitancy and 2. Online A/B testing to identify effective communication messages using Facebook
Pillar: Economic Diversification and Private Sector-led Growth				
Outcome: The design and implementation of GoI reforms to strengthen economic diversification and private-sector-led growth is enhanced through capacity building, technical assistance and knowledge/analytical work				
Number of analytical works (studies, assessments, and/or policy guidance) completed to inform reform agenda - per year	2	6	Exceeded (10)	1. Iraq Financial Sector - Presentation of best practices and country cases on supervision and oversight of payments system
				2. Iraq Financial Sector - Presentation of digital payment incentives policy options
				3. Iraq Financial Sector - High level assessment of remittance market
				4. Iraq Financial Sector - High level assessment of the CBI Business Continuity Plan
				5. Iraq Financial Sector - Technical note on housing finance
				6. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Public debt management guidance notes
				7. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Tax administration reform policy note
				8. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Oil revenue management policy note
				9. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Policy note on recruitment practices
				10. Enabling Environment for Small and Growing Businesses - SME policy note
Number of regulations and/or reform plans that facilitate economic diversification and improve public finances adopted by Cabinet or Ministry informed by I3RF support - per year	1	2	Achieved (2)	1. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Public debt management regulation 2. Enabling Environment for Small and Growing Businesses - The adoption of Private Sector Chapter in the White Paper which includes the National Reform Agenda for improving the Business Environment in Iraq

Indicator	2020 Results Achieved	2021 Target	Status & Results Achieved	Project Name, Result and Date
Number of entrepreneurs receiving support through access to market, capital and networks – cumulative	230	270	Delayed in 2021 – this indicator exceeded its target of 2020 by approximately 12 times	Enabling Environment for Small and Growing Businesses - The project overachieved last year, exceeding its 2020 target (20 entrepreneurs) by approximately 12 times. The focus of the project has shifted this year to complete the SME Policy Note
Pillar: Coordination and Program Support				
Outcome: Institutional mechanisms and capacities for multi-stakeholder dialogue, coordination, and monitoring of reform and reconstruction priorities are enhanced; and the social, gender, and peacebuilding dimensions of recovery and reconstruction programs are strengthened.				
Number of Government program and World Bank operations using new data sources and analytics for design and monitoring, including the COVID-19 responses and operationalization of the Iraq Reform Agenda – cumulative	1	2	Exceeded (3)	1. Building Evidence for Policy Making - Interim poverty map and targeting formulae used for the Human Capital Cash Transfer pilot in Kurdistan Region of Iraq (KRI) 2. Building Evidence for Policy Making - Interim poverty map, poverty projections, and results from phone surveys are used for the Primary Education Project
Number of analytical works on poverty and vulnerability/gender dimensions/impacts of COVID-19 pandemic completed - per year	2	3	Achieved (3)	1. Building Evidence for Policy Making - Two high frequency phone survey reports were produced (August 2020 to January 2021, and June-August 2021) 2. Building Evidence for Policy Making - Update of poverty projections after the devaluation of the Iraqi Dinar was completed 3. Building Evidence for Policy Making - The updated Poverty Map is being used to better target Government and World Bank Programs, and COVID-19 emergency programming. (2020)
Number of projects covered by Third-Party Monitoring services – cumulative	2	3	Achieved (3)	1. Third Party Monitoring Agent - EODP 2. Third Party Monitoring Agent - SFD 3. Third Party Monitoring Agent - COVID-19 TPMA

Indicator	2020 Results Achieved	2021 Target	Status & Results Achieved	Project Name, Result and Date
Number of analytics completed to understand the political economy, inclusion and peacebuilding aspects of reform, recovery and reconstruction – per year	2	3	Exceeded (4)	1. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Risk monitoring framework (August 2021)
				2. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Baseline assessment of risks (September 2021)
				3. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Monthly risk briefs
				4. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Quarterly risk brief
Number of projects benefitting from enhanced citizen engagement/ grievance redress mechanisms - per year		2	Achieved (2)	1. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Transport Corridor Project
				2. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - EODP
Pillar: I3RF Operating Model				
Outcome: The I3RF serves as a mechanism to influence or leverage existing or new funding for reform, recovery and reconstruction				
Number of WBG investments benefitting from I3RF co-financing or technical support – cumulative	6	10	Exceeded (13)	1. Building Evidence for Policy Making - Human Capital Cash Transfer pilot in KRI
				2. Building Evidence for Policy Making - Primary Education Project
				3. Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements - Ongoing design of a lending operation in the energy sector
				4. Revitalizing the Agriculture Sector in Iraq - Ongoing design of an investment project financing the agriculture sector
				5. Analytics and Advisory for Management of Public Resources and Fiscal Federalism – Public Financial Management Modernization Project
				6. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Strengthening Fiscal Accountability and Oversight Institutions
				7. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - TCP

Indicator	2020 Results Achieved	2021 Target	Status & Results Achieved	Project Name, Result and Date
				8. Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq; Support to Education and Skills Development in Iraq; and Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - EODP
				9. Water Supply and Sanitation Utility Reform Technical Assistance - Baghdad WSS
				10. ESSRP (2020)
				11. SFD (2020)
				12. National Financial Inclusion Development (Iraq MSME Facility 2.0) (2020)
				13. KRI Emergency Response Operation (2020)
Outcome: The I3RF provides a platform for enhanced coordination and dialogue between donors and Government				
Economic policy reform matrix agreed with Government and consulted with donors	Yes	Yes	Achieved	Economic Diversification and Growth - The impact of the CEM and White Paper on the Reform paper of the GoI
Number of knowledge sharing or learning activities or events to disseminate I3RF analytical work and/or lessons learned – per year	19	20	Exceeded (62)	1. Area-Based Approach for Reconstruction in Mosul and Other Urban Centers in Iraq - Training under the Area-Based Approach for Reconstruction project (January 2021) 2. Revitalizing the Agriculture Sector in Iraq - Enabling Iraq's food system contributions to employment, growth, and resilience to shocks (April 2021) 3. Revitalizing the Agriculture Sector in Iraq - Online Seminar: Food Security and Food Systems in Iraq 4. Revitalizing the Agriculture Sector in Iraq - E-learning on remote sensing technologies 5. Support to Manage Environmental Pollution Hotspots in Iraq - Eight trainings for officials at Ministry of Environment (April 2021) 6. COVID-19 Response and Health System Strengthening - Seventeen trainings events in the health sector: 1. Oxygen safety in healthcare settings; 2. Introduction and Vaccination strategies; 3. Vaccine Financing; 4. Procurement and Distribution Networks ; 5. Supply Chain Readiness; 6. Vaccine Administration & Follow-up: The Beneficiary Journey; 7. Costing & Human Resources; 8. Thinking to the Future; 9. Building vaccine confidence; 10. Deploying multiple vaccines using a portfolio approach; 11. Engaging private sector in vaccine delivery; 12. Four workshops on the use of different digital platforms for contact tracing (DHIS2, ComCare, OpenSRP, GO.DATA); 13. Two workshops on COVID-19 testing for frontline laboratory technicians

Indicator	2020 Results Achieved	2021 Target	Status & Results Achieved	Project Name, Result and Date
				7. Support to Education and Skills Development in Iraq - Education PER launching event (May 31 – June 1, 2021)
				8. Support to Education and Skills Development in Iraq - Education Reform Plan Disseminated
				9. Economic Diversification and Growth - CEM dissemination event
				10. Economic Diversification and Growth - CEM presentation at Georgetown University
				11. Economic Diversification and Growth - CEM dissemination at development partners forum in Baghdad
				12. Economic Diversification and Growth - CEM targeted session with Iraqi academics
				13. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Political Economy of the 2021 budget in Iraq
				14. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Post-2021 legislative election diagnostic of political economy challenges
				15. Analytics and Advisory for Management of Public Resources and Fiscal Federalism - Four learning events for the State and Shura Councils with the Egyptian and French State Councils
				16. Enabling Environment for Small and Growing Businesses - Two dissemination events for the public and private sectors for the National Agenda for Improving the Business Environment in Iraq
				17. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Event on the political economy of the 2022 budget
				18. Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction - Event on the outcome of the 2021 election
				19. Iraq Financial Sector - Two virtual workshops with CBI
				20. Iraq Financial Sector - Three workshops on Fast Payment Systems; National Payments Council; and International Remittances (December 2021)
				21. Iraq Financial Sector - Six virtual workshops with NRA working groups
				22. Iraq Financial Sector - Six refreshers to NRA Working Group

ANNEX 2 – LIST OF PROJECTS WITH DETAILS ON GOVERNMENT ENGAGEMENT



This table provides per project details on government counterparts, I3RF engagement with them, and the type of support provided by the Fund. The information is aggregated from the detailed progress template published in the annex under Progress Overview Per Project. **Further details on projects can be found in the Results and Highlights section and in the Progress Overview per Project annex.**

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
Pillar 1: Socio-Economic Recovery and Reconstruction					
Area-Based Reconstruction in Mosul and Other Urban Centers in Iraq – BE activity (P162875)	Active	Reconstruction Fund for Areas Affected by Terrorist Operations (ReFAATO), Governorates Project Management Teams, Ministry of Planning, Ministry of Finance	Ministries have been involved and briefed, and training has been conducted in coordination with ReFAATO and Project Management Teams	Technical Assistance, Advisory Support and Analytics	Refer to Results and Highlights section and Annex 3 – Progress Overview Per Project
Revitalizing the Agriculture Sector in Iraq – BE activity (P171561)	Active	Ministry of Agriculture	The team is organizing joint EODP and I3RF supervision and progress update meetings periodically	Technical Assistance, Advisory Support and Analytics	Refer to Results and Highlights section and Annex 3 – Progress Overview Per Project
Support for Improved Farm Management – RE activity (P173503)	Pipeline	Ministry of Agriculture	The team shared the support for improved farm management and piloting models of aggregation in Iraq - (P173503) proposal with the Ministry of Agriculture, which endorsed the project activity and informed the Ministry of Planning. Discussions on implementation arrangements are on-going	Technical Assistance and Recipient-Executed Activity	Refer to Annex 3 – Progress Overview Per Project
Support to Manage Environmental Pollution Hotspots in Iraq – BE/RE activity (P173049)	BE: Active; RE: Pipeline	Ministry of Environment	The team has worked closely with the Ministry of Environment through its International Environmental Relations Department and Oil Pollution Division both during preparation of the concept note for this Bank Executed project and its implementation	Technical Assistance, Advisory Support and Analytics	Refer to Results and Highlights section and Annex 3 – Progress Overview Per Project
Water Supply and Sanitation Utility Reform Technical Assistance – BE activity (P175808)	Active	Ministry of Construction, Housing, Municipalities and Public Works; Mayoralty of Baghdad; Baghdad Sewage Authority; Basra Sewage Department; Baghdad Water Authority	The Project is already ongoing. The Task Team is working with Government counterparts for project implementation	Technical Assistance, Advisory Support and Analytics	Refer to Results and Highlights section and Annex 3 – Progress Overview Per Project

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
Technical & Economic Due Diligence to Support Iraq Southern Region Electricity Network Reinforcements – BE activity (P175879)	Active	Ministry of Electricity	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, as well as the Bank's Pan-Arab Regional Energy Trade Program team and consultants	Technical Assistance, Advisory Support, and Analytics	Refer to Results and Highlights section and Annex 3 – Progress Overview Per Project
Social Protection and Jobs for Poor and Vulnerable Iraqis – BE activity (P171639)	Active	Ministry of Social Affairs; Ministry of Planning	Project progressing well with strong government buy-in	Technical Assistance and Analytics	Refer to Results and Highlights section and Annex 3 – Progress Overview Per Project
Protecting and Promoting Human Capital in Iraq – An Economic Inclusion Pilot (EIP) – BE/RE activity (P174422)	Pipeline	Ministry of Labor and Social Affairs	The pilot concept was first discussed with the Ministry of Labor and Social Affairs during a mission to Baghdad in March 2020 following preliminary discussions in 2018. Between March and July of 2020, international experiences were shared with staff from the Ministry, through presentations by the World Bank team, as well as presentations arranged virtually with Yemeni and Egyptian counterparts who have launched similar programs in their countries. These sessions included staff from the various sections under the Directorate of Labor and Vocational Training (DLVT) of the Ministry, ranging from the planning section, the training section, the microloans section, the incubators section and others. From July to October 2020, the World Bank worked with the DLVT to further decide some pilot parameters for location, economic activity focus, beneficiaries and implementation arrangements, including a virtual project preparation mission in October with the Ministry of Labor and Social Affairs and the Ministry of Planning. Members of the project's management team have been tentatively identified. Moreover, the World Bank has carried out assessments of the financial management, procurement, and environmental and social safeguards capacities of the Ministry, in line with Investment Project Financing rules and regulations. The project is entering the appraisal stage and is expected to be approved by the Bank in March 2022.	Analytics and pilot activity that can be scaled up or inform a broader recovery program	Refer to Annex 3 – Progress Overview Per Project

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
Support to Education and Skills Development in Iraq – BE activity (P171165)	Active	Ministry of Education, Ministry of Higher Education and Scientific Research	Close working relationships with various Ministry of Education departments (Financial Affairs; Curriculum Directorate; Teacher Training and Development Institute; Assessment and Examination Directorate); Ministry of Planning and Ministry of Education, Ministry of Higher Education	Technical Assistance, Advisory Support and Analytics	Refer to A Focus on the Education Reform Agenda: Results of the SESDI Project and Annex 3 – Progress Overview Per Project
Innovations towards Learning in Lagging Iraqi Governorates – RE activity (P175721)	Pipeline	Project Management Team from the EODP-Additional Financing (AF) Education Component, in close coordination with the relevant technical departments (curriculum, assessment, teachers, e-learning, planning, finance) within the Ministry of Education and Ministry of Planning	The activities respond to current government priorities. The WB was asked to build on the current engagement to scale up support for the education sector in Iraq both to address immediate needs stemming from the COVID-19 crisis and pursue medium- and long-term development objectives of the sector. In addition, the activities build on and complement ongoing education operations (for example, expanding and building on teacher training activities under EODP Education component) and technical assistance (SESDI ASA), and leverage capacity built under those to allow for holistic and timely support to address the most urgent education sector needs. This RE grant will be managed by the PMT from the EODP-AF Education Component, in close coordination with the Ministry of Education and Ministry of Planning. This implementation arrangement will use and build on a well-functioning and experienced Project Management Teams	Investment Project Financing	Refer to Annex 3 – Progress Overview Per Project
Support to Tertiary Education in Iraq– BE/RE activity (P175694)	BE: Active; RE: Pipeline	Ministry of Higher Education and Scientific Research	The project design was consulted with the Ministry of Higher Education and Scientific Research, Ministry of Planning, Ministry of Health, Ministry of Agriculture, Ministry of Electricity and others. Technical assistance has been provided to (i) MoHESR in project preparation including in evaluation and selection of proposals for piloting a Competitive Fund Program and in developing environmental and social safeguards frameworks; (ii) the selected proposal university teams in developing implementation plans including budget plans and risk mitigation measures; and (iii) MoHESR and the selected proposal university teams in project fiduciary matters. The Government request letter for this project is in process	Technical Assistance, Advisory Support, Analytics and Financial Support (seed funding)	Refer to Annex 3 – Progress Overview Per Project

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
Iraq Road Maintenance Microenterprises Grant Project – RE activity (P171446)	Pipeline	Ministry of Construction, Housing, Municipalities and Public Works	Government counterpart has been duly engaged in project preparation, including technical elements and safeguards instruments. Grant agreement is ready for signing and awaiting action by the government counterpart	Technical Assistance, Advisory Support and Works	Refer to Annex 3 – Progress Overview Per Project
Strengthening Immunization Systems for Equitable and Quality Delivery of COVID-19 Vaccination through Third Party Monitoring – RE activity (P177038)	Active	Ministry of Health and Environment	The proposal was developed jointly with the Ministry of Health. A technical session was held on August 23, 2021, with the Ministry of Planning and I3RF donors to discuss the proposal. The proposal was approved by the Ministry of Planning and I3RF Secretariat on August 29, 2021	Grant financing is aligned with the IBRD US\$98 million loan to the Government to support the acquisition and deployment of COVID-19 vaccines	Refer to Annex 3 – Progress Overview Per Project
COVID-19 Response and Health System Strengthening – BE activity (P174641)	Active	Ministry of Health and Environment	The Government is fully engaged in implementing the activities	Technical Assistance, Advisory Support, and Analytics	Refer to Results and Highlights section and Annex 3 – Progress Overview Per Project
Pillar 2: Economic Diversification and Private Sector-Led Growth					
Iraq Economic Diversification and Growth ASAs (includes the Reform Matrix and White Paper) – BE activity (P176098)	Active	Ministry of Planning, Ministry of Finance, Reform Management Cell at the Prime Minister's Office	The project was prepared in collaboration with the Ministries of Planning, Finance, Trade and Reform Management. Several meetings and written exchanges have contributed to the design of the components. Moreover, the project benefitted from several rounds of discussion with donor partners including those contributing to the I3RF (Canada, Germany, Sweden and UK) and other partners including the European Union and GIZ	Technical Assistance, Advisory Support, Analytics and other types of support (embedded experts and purchase of software)	Refer to A Focus on the Economic Reform Agenda: Context and Advancements section , the Results and Highlights section and Annex 3 – Progress Overview Per Project

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
Iraq Financial Sector– BE activity (P171615)	Active	Central Bank of Iraq, Economic Reform Unit at the Prime Minister's Office, Reforms Management Cell, Financial Intelligence Unit, Ministry of Planning, Ministry of Labor and Social Affairs and Ministry of Construction, Housing, Municipalities and Public Works, in coordination with Ministry of Finance. The task team is expecting to liaise further with the National Housing Fund on potential products and pilot activities	The work plan was developed in close collaboration with the Central Bank of Iraq with inputs from the Ministry of Finance and the entities listed previously. The team is working with a dedicated team at the Central Bank of Iraq comprising the General Managers of Banking Supervision, Payment, Infrastructure and the Advisor Governor Office. Government of Iraq counterparts were updated through regular briefings and presentations. Presentations were made to the Minister of Finance, Central Bank Governor, Minister of Planning, Head of Reform Management Cell and to other financial sector stakeholders including the Iraqi League of Private Banks, Payment System Providers and the Iraqi British Business Association among others. The team has also kept I3RF donors updated through the Iraq Economic Contact Group and bilaterally (EU/KfW/GIZ/IOM) to align work plans	Technical Assistance, Advisory Support and Analytics	Refer to A Focus on the Economic Reform Agenda: Context and Advancements section, the Results and Highlights section and Annex 3 – Progress Overview Per Project
Analytics and Advisory for Management of Public Resources and Fiscal Federalism – BE activity (P166640)	Active	Ministry of Finance	The team is engaging actively with the Reform Management Cell in the Prime Minister's office, the Debt Management Department in the Ministry of Finance and the private office of the Minister of Finance to initiate and provide Technical Assistance. It is also actively engaging with the newly established Federal Civil Service Commission	Technical Assistance, Advisory Support, Analytics and Learning Event on Political Economy Analysis	Refer to A Focus on the Economic Reform Agenda: Context and Advancements section, the Results and Highlights section and Annex 3 – Progress Overview Per Project

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
COVID-19 Adaptation and Recovery Pilot for MSMEs in Iraq (CARP) – RE activity (P174273)	Active	Ministry of Finance, Central Bank of Iraq	The project has been endorsed by the I3RF Steering Committee and approved by the WBG Regional Vice President on June 25th, 2021. The project Grant Agreement was signed by the Ministry of Finance on October 1, 2021. The project team is expeditiously finalizing preparations with the project implementation agency (PIA) and GlZ. Preparatory activities include diagnostics activities, conducting a global review of MFI policies and regulations, finalizing program design for both project components, drafting the project operations manual, and ongoing engagement with public and private sector stakeholders. The WBG has been working closely with the Central Bank of Iraq to prepare Component 1 activities, described in more detail below. Component 2 activities largely target and benefit private sector actors but are closely linked to Iraq's business environment reforms agenda surfaced under a sister project, the Enabling Environment for the Creation and Growth of Innovative Small and Medium Enterprises (P171175)	Technical Assistance, Advisory Support, Analytics	Refer to A Focus on the Economic Reform Agenda: Context and Advancements section , the Results and Highlights section and Annex 3 – Progress Overview Per Project
Enabling Environment for Small and Growing Businesses – BE activity (P171175)	Active	The Economic Reform Unit at the Prime Minister's Office; Higher Steering Committee for Improving the Business Environment in Iraq at the Council of Ministers; Central Bank of Iraq	A new Higher Committee to lead implementation of the National Agenda for Improving the Business Environment in Iraq (former committee was dissolved last year) was established on June 1st, 2021 by the Secretary General of the Council of Ministers. This inter-ministerial body reports directly to his Excellency the Prime Minister and is composed of officials from government entities with roles in the business environment. The Committee's mandate is to work on proposals for legislative instruments, new policies, and development of new systems to improve the business environment. The main beneficiaries are agencies involved in the business environment reform agenda such as the Ministry of Planning, Ministry of Trade, Ministry of Justice, Central Bank of Iraq, Amanat Baghdad, the private sector and indirect beneficiaries such as innovative SMEs, ecosystem builders and SME-focused funds. The MOF and CBI are also project counterparts for a sister project, COVID-19 Adaptation and Recovery Pilot: Supporting Firms' Resilience, Access to Finance and Growth in Iraq (174273).	Technical Assistance, Advisory Support, Analytics, Investors' Grievances and Investors' Dispute Settlement	Refer to A Focus on the Economic Reform Agenda: Context and Advancements section , the Results and Highlights section and Annex 3 – Progress Overview Per Project

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
Pillar 3: Coordination and Program Support					
Building Evidence for Policy Making – BE activity (P170264)	Active	Ministry of Planning, Central Statistical Organization, Kurdistan Region Statistics Office	The team is working closely with the Central Statistical Organization and Kurdistan Region Statistics Office to prepare the IHSES-III survey and has collaborated with the Ministry of Planning to update poverty projections. The phone survey reports, and other analytical works are shared with the Central Statistical Organization and Kurdistan Region Statistics Office	Technical Assistance and Analytics	Refer to the Results and Highlights section and Annex 3 – Progress Overview Per Project
Iraq Household and Socioeconomic Survey (IHSES) III – BE/RE activity (P176590)	Pipeline	Ministry of Planning, Central Statistical Organization, Kurdistan Region Statistics Office	The project was prepared in close collaboration with the Central Statistical Organization and Kurdistan Region Statistics Office which helped develop the Project Procurement Strategy for Development, social safeguards and other related documents. The activities and project planning to draft the Poverty Reduction Strategy III was done in collaboration with the PRS secretariat at the Ministry of Planning	Technical Assistance and Analytics, and Recipient-Executed Activity	Refer to Annex 3 – Progress Overview Per Project
Fiduciary Oversight and Capacity Strengthening (includes Strengthening Financial Management and Procurement Capacities; and Third Party Monitoring Agent) – BE activities (P174339)	Active	Task 1 (Third Party Monitoring): Ministry of Planning, Public Contracting Directorate (PCD), Ministry of Construction, Housing, Municipalities and Public Works, Roads and Bridges Directorate, Ministry of Education, Ministry of Water Resources, Ministry of Health, Ministry of Transport, Nineveh Governorate, Salah El Dine Governorate, Anbar Governorate, Diyala Governorate. Task 2 (Fiduciary Capacity Building Program): Ministry of Planning, Public Contracting Directorate, Ministry of Finance, Public debt directorate, and Iraqi Union of Accounting and Auditing (IUAA).	Task 1. The WB team contracted the TPMA and 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. Task 2. The capacity building program will be implemented directly by a WB team of financial management and procurement specialists in close collaboration with government stakeholders. The Concept Note has been prepared, and project objectives and scope have been presented to the Government of Iraq.	Technical Assistance	Refer to the Results and Highlights section (TPMA Box) and Annex 3 – Progress Overview Per Project

Project Name	Status	Government Counterpart	Details on the Engagement with Government Counterparts	Type of Support Provided by the I3RF	For Further Details on this project
Strengthening Peacebuilding, Governance and Citizen Engagement in Reform, Recovery and Reconstruction – BE activity (P173326)	Active	REFAATO through the EODP and the Roads & Bridges Directorate/ Ministry of Construction, Housing and Public Municipalities through the Iraq Transport Corridor Project	The team responsible for component 3 of the ASA, which focuses on citizen engagement, has developed a theory of change and action plan that will see them engage more intensively with government and civil society representatives in FY22. The team plans to engage with the Ministry of Planning, the NGO Directorate, the Ministry of Construction, Housing, Municipalities and Public Works, and select government entities that are already considered clients of ongoing I3RF operations and activities. Additionally, the team is providing support to the Iraq Country Climate and Development Report (CCDR) and may engage with the Ministry of Environment	Technical Assistance, Advisory Support and Analytics	Refer to the Results and Highlights section and Annex 3 – Progress Overview Per Project

ANNEX 3 – 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	P162875
GOVERNMENT COUNTERPART	Reconstruction Fund for Areas Affected by Terrorist Operations (ReFAATO), Governorates Project Management Teams, MoP, MoF
READINESS & GOVERNMENT ENGAGEMENT	Ministries have been briefed and training has been conducted in coordination with ReFAATO and Project Management Teams
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To support planning for and facilitate 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 as a pilot. 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 and restoring cultural heritage assets.
BRIEF PROJECT DESCRIPTION	This 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 ABA program initially being piloted in Mosul, to be scaled up to other urban areas. This will be a first step starting with Mosul, and 2–3 other cities could be supported to prepare city-wide plans based on the learning from Mosul. 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 support the sustainability of peace over the medium-term.
TIMEFRAME	2020–2022
SECTOR CONTEXT	The Nineveh province, of which the historic city of Mosul is the capital, was one of the most affected by the conflict, and the city itself was the most severely damaged. For instance, Mosul has the largest share of housing damage in the seven directly affected governorates with an estimated damage cost that ranges between IQD 6–8 trillion alone (US\$5.1–6.9 billion), according to the 2018 Iraq Damage and Needs Assessment. In line with the Recovery, Reconstruction and Development Plan (RRDP), the GoI 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 taken place. However, more progress is needed to integrate these activities into a more comprehensive, city-wide reconstruction plan, and to introduce new thinking in city planning, governance and growth. This will support the government's intention to facilitate better living conditions for the affected population of Mosul, and in other urban centers for those who remained in place during the conflict, and to facilitate the return of displaced populations in other parts of Iraq or neighboring countries. Supporting the needs of both internally displaced persons and returnees in urban centers is increasingly important to maintain social cohesion and sustainable recovery, and will be a key consideration in the selection of pilot project cities.

COMPONENTS	<p>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. The plan will follow a geographically targeted, participatory, and multi-sectoral area-based approach, and will address the climate – conflict nexus and create a resilient, low carbon model for inclusive urban reconstruction. The activity seeks to draft the plan starting with Mosul and 1–2 other cities as pilots (see component 3). Cities in which pilot projects will be conducted will be selected through a city diagnostic, which includes a rapid climate risk assessment undertaken nationally and targeting 10–12 cities.</p> <p>2. Subnational PMT's Capacity Building: This activity will build capacity at the governorate level to adopt an area-based approach to identify, design and coordinate investments for reconstruction projects in line with city-level reconstruction needs and priorities.</p> <p>3. Pilot projects and Harnessing Cultural Heritage for Reconstruction and Recovery: This component will prepare three pilot projects in three cities selected under component 1. Specific stakeholder engagement will be run in each selected city with key counterparts and with main counterparts and stakeholders at National level, as appropriate. The activity in Mosul will focus on harnessing cultural heritage for reconstruction and recovery, while other pilots will target economic and social recovery and climate risk reduction. Based on the pilot projects, stakeholder engagements, and the strategy for inclusive and resilient recovery recommendations for priority engagements in the cities and in the country will be provided.</p>
FINANCING	I3RF: US\$2 million; Quality Infrastructure Investment Partnership Grant: US\$500,000
LINKAGES TO OTHER PROJECTS/ INITIATIVES	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 GoI at local and national levels. It also supports preservation of cultural heritage assets. The activity also aligns with the GoI's priorities as outlined in the RRDP, namely pillars 1, 2, and 4 (Governance; Reconciliation and Peacebuilding; Infrastructure) and with the GoI's National Development Plan, namely pillars 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).
LINK TO GOI REFORM AGENDA	Pillar 3 to improve basic infrastructure through recovery and rehabilitation of multiple sectors and pillar 4 to increase access to basic services (including drinking water and sanitation) and protect the most vulnerable people. The ABA will also identify opportunities to create jobs and increase SMEs engagement in recovery, rehabilitation, and reconstruction.
TYPE OF SUPPORT	Technical Assistance, Advisory Support, and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to economic empowerment of women and girls, and to improving data on gender (by measuring beneficiary satisfaction). Iraqi women have limited opportunities to express themselves, and limited agency and 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 has been harassed in a public space, and concerns for personal security discourage women from seeking employment. The proposed strategy will adopt a gender sensitive approach to the area-based approach pilots to increase women's involvement in planning their cities, and help to make public spaces more secure and comfortable so that women can engage in public life and the workplace. The pilot projects will actively engage women in the cities, and seek their inputs and ideas on employment preferences and economic opportunities that could be harnessed through the pilot projects. Currently, the majority of PMT members are men, and there is a need to extend the target audience for trainings to women in academia, the private sector and local communities, which will include women representation.

CLIMATE CHANGE & THE ENVIRONMENT	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 will be finalized to assess climate risks in the country and in 10–12 targeted cities. The outcomes of the diagnostic will guide city selection for the pilot projects. Training will address climate mitigation and adaptation and build awareness and specific capacities among PMTs and other stakeholders. The Iraq NDCs includes 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.
COVID RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	The activity is managed by URL on the WBG side, in coordination with relevant sector Global Practices (GPs), including the Governance GP, Social GP, and the Fragility, Conflict and Violence (FCV) Group. From the Gol side, ReFAATO and the PMTs are managing the activity, other counterparts will be identified when the cities are selected. Externally, partnerships for implementation have been established, and others will be sought with local and international organizations, in particular ReFAATO, UN-Habitat, relevant UN agencies, various bilaterally 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 (ICCROM), Smithsonian, and UNESCO.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	In terms of analytical work, a stakeholder and engagement plan has been completed in Mosul and nationally. Additional, ongoing analytical activities include the city selection diagnostic and rapid climate risk assessment of cities under component 1. The city selection diagnostic, which includes the rapid climate risk assessment will help identify the two other pilot cities in addition to Mosul. The diagnostic and risk assessment will also feed into the development of the strategy. As of June 2021, trainings have been conducted for PMTs, with a total of 65 beneficiaries so far. The I3RF will support 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 will be financed from the EODP Component 10, QIIP Trust Fund and other sources.
IMPLEMENTATION CHALLENGES	Because of the ongoing COVID-19 restrictions, training for PMTs had to be organized and conducted virtually, which was not as conducive and effective as in-person training. Since PMTs prefer in-person communication, and because of internet connectivity issues, future training will be conducted in person providing this can be done safely.
BENEFICIARIES	People residing in and returning to Mosul and other urban centers of the other two pilot cities, with a focus on youth, women, IDPs, refugees, and host communities, as well as PMTs at the governorate level.
GEOGRAPHIC COVERAGE	Sub-national scope with a focus on Mosul and two other pilot cities; then scale-up of the area-based approach to other urban centers. Training will also include PMTs in three other governorates where 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
GOVERNMENT COUNTERPART	MoA
READINESS & GOVERNMENT ENGAGEMENT	The team is organizing joint EODP and I3RF supervision and progress update meetings periodically.
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 to promote labor participation of women in the sector.
BRIEF PROJECT DESCRIPTION	The proposed activity is an initial step towards longer-term engagement in modernizing Iraq's agri-food sector and maximizing its contribution to employment, economic recovery, diversification, and resilience. It aims at setting 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	May 2020–April2022
SECTOR CONTEXT	<p>The prolonged conflict in Iraq has had a major impact on the development of Iraq's agri-food sector. Both private and public infrastructure has been significantly damaged and needs to be rehabilitated. For example, lack of seed and fertilizer are rampant, irrigation canals and pumps have been damaged, post-harvest storage facilities no longer exist, agricultural machinery and storage facilities have been damaged, veterinary services, research facilities and extension centres have been destroyed or need comprehensive rehabilitation. Further, water and electricity services have deteriorated, and the ability to access markets, provide services, and access new technologies and knowledge have been severely disrupted. Currently, the World Bank is working with the GoI to restore basic infrastructure (irrigation, storage, seed facilities) through the EODP. However, the rehabilitated infrastructure is not sufficient for the development of a competitive and resilient to the economic shocks agri-food sector, and there is a need for evidence-based policymaking, capacity building and knowledge transfer. 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 total GDP), and the sector as a whole contributes well over this figure. The agricultural sector is also a significant source of employment (approximately 19 percent) and is probably the main source of private sector employment. Currently, Iraq has limited options for export diversification, as dates, its second largest export commodity, are a minor export compared to oil. Once the agri-food sector is rehabilitated, it will have high potential to increase and stabilize crop yields. The projections of the Iraq Economic Monitor 2019 indicate that achieving Iraq's Net Domestic Product (NDP) 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 (an average annual increase in agriculture GDP of 4.9 percentage points); this would increase both rural and urban household incomes, especially for female-headed households. High-value horticulture also has great potential as it is less affected by government policies than cereals. Agriculture is practiced by small- to medium-size farmers; and policy reforms, collective action by these farmers (in cooperatives, associations, or other systems of aggregation) and ensuring equitable access to natural resources could help rebuild local institutions and reduce the risk of fragility and economic shocks in the future.</p>

COMPONENTS	<p>Track 1 – Policy Advice and Capacity Building: This track will strengthen the Ministry of Agriculture’s (MoA’s) Policy Unit by (1) providing policy advice related to COVID-19’s impacts on food security; (2) producing a capacity development plan for a strategic and coherent agenda between development partners and the Ministry; (3) developing e-learning modules on digital innovation, women’s empowerment, and climate-smart practices.</p> <p>Track 2 – Social Inclusion: Women’s Empowerment: This activity will assess the gender-differentiated impact of COVID-19 and progress towards gender parity in the agricultural sector. The activity will be piloted with EODP beneficiaries and the resulting data will be integrated into a digital platform (Track 3) and used for the policy advice and e-learning module (Track 1) to promote gender parity and design gender-sensitive projects/interventions.</p> <p>Track 3 – Technological Innovation: Digital Platform: This activity will design a digital registry to monitor agri-food data related to food availability, food prices, supply chains, rural employment, detecting the impacts of economic shocks (e.g., due to COVID-19) and conflicts, and informing evidence-based decision making.</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 Agri-food sector transformation in Mashreq - (P175510)
LINK TO GOI REFORM AGENDA	The project directly contributes to the White Paper which prioritizes interventions in the agri-food 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 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 and improving data on gender. Women in Iraq suffer from insufficient educational opportunities and healthcare, limited access to the labor market, and high levels of violence and inequality. The slow progress in raising Iraq’s human development indicator (HDI) is explained by gender inequalities in health, education and Gross National Income (GNI) per capita. The cost of gender inequality is significant for human development in the country. In 2018 gender inequality resulted in a 19.8 percent reduction in human development in Iraq. The gender inequality index value is 0.540, ranking Iraq 131 out of 162 countries in the 2018 index. Gender inequality in rural areas is even more evident, and aggravated by limited access to finance, natural resources, agricultural inputs, education, health services, and substantial social inequalities. This is in contrast with the significant role that women play in agriculture and the food-system. The activity would develop a manual women’s empowerment in agriculture index (WEAI) adjusted to the Iraqi context, and assess a gender-differentiated impact of COVID-19 and progress towards gender parity in the agricultural sector by piloting WEAI. WEAI can measure women’s empowerment and inclusion in the agricultural sector and inform policy making process. WEAI was launched by IFPRI, the Oxford Poverty and Human Development Initiative (OPHI), and USAID’s Feed the Future in February 2012, the first comprehensive, standardized measure of women’s empowerment and inclusion in the agricultural sector. The WEAI comprises two sub-indices. The first assesses the degree to which respondents are empowered in five domains of empowerment (SDE) in agriculture. It shows the percentage of women and men who are empowered and, among those who are not, the percentage of domains in which they enjoy adequate achievements. In order to efficiently use the index it should be customized to Iraq’s context. The second sub-index, the Gender Parity Index (GPI), measures gender parity. The GPI reflects the percentage of women who are empowered or whose achievements are at least as high as the men in their households. For those households that have not achieved gender parity, the GPI shows the empowerment gap that needs to be closed for women to reach the same level of empowerment as men in their households.</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; (iii) 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.
COVID 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 activity is implemented by the Agriculture and Food Global practice. The team collaborates with the Social Protection and Jobs, Macroeconomics, Trade and Investment (MTI) and Water Practices.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	<p>COVID-19 monitoring: The World Bank continued the joint collaboration with the United Nations entities (WFP, IFAD, FAO) to assess COVID-19 impacts on food security and identify policy options and emergency interventions. The objectives for this partnership are to a) provide a coordinated assessment of the impact of COVID-19 on the Food Supply System and b) build support for policies and investment responses to the challenges of COVID-19. This also allowed to capitalize on international agencies' comparative advantages and avoid duplications. Since January 2021, four biweekly reports and one quarterly Food security monitors have been produced.</p> <p>Policy dialogues: On April 21, 2021, the "Enabling Iraq's Food system contributions to employment, growth, and resilience to shocks" seminar was organized to explore how the strategic reforms and actions outlined in the Government's White Paper and its action plan can be sequenced in order to address these challenges. The keynote was delivered by the Deputy Agriculture Minister with introductory remarks about Iraq's Vision for Agriculture from the National Food Security Committee. The FAO Representative moderated the panel, which included public and private sector representatives.</p> <p>Iraq High Frequency Phone Survey (IHFPS): The agriculture and poverty teams co-financed three rounds of the Iraq High Frequency Phone Survey (IHFPS) with the WFP Iraq. The data has been instrumental in monitoring food security, employment, child learning, access to market, healthcare, and other services during the COVID-19 pandemic. This activity will (i) inform the planning of World Bank operations and emergency responses to the pandemic in Iraq and (ii) support as an input to a sustainable data system that helps inform the World Bank and the GoI about socio-economic changes, food security, market functionality and the level of economic activities in the country.</p> <p>Policy analysis: A policy paper was delivered on the policy process, stakeholders, and policy arenas in the agri-food sector to contribute to Iraq's agri-food policy process and identify current bottlenecks and areas of reform.</p>
IMPLEMENTATION CHALLENGES	The field data collection for the digital registry and gender index was delayed.
BENEFICIARIES	Ministry of Agriculture, and rural population, food insecure population, women.
GEOGRAPHIC COVERAGE	National level.

Support for Improved Farm Management– RE activity

P CODE	P173503
GOVERNMENT COUNTERPART	Ministry of Agriculture
READINESS & GOVERNMENT ENGAGEMENT	The team shared the support for improved farm management and piloting models of aggregation in Iraq - (P173503) proposal with the MoA, which endorsed the project activity and informed the MoP. Discussions are on-going regarding the implementation arrangements of the project.
STATUS	Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To test a model of aggregation to improve competitiveness, accessibility to markets, and climate-resilience for small-scale rural producers in selected pilot areas for selected value chains (vegetables, fruits and livestock) by: (i) promoting strategic productive alliances between smallholders and the private sector, (ii) empowering rural producers through the development of self-managed organizations, (iii) increasing access to productive assets and technology, and (iv) promoting more effective and climate smart practices in ThiQar, Babylon, and Erbil Governorates.
BRIEF PROJECT DESCRIPTION	With the support of this project, individual smallholders will be encouraged to engage in collective action to generate economies of scale, enhance the collective bargaining power, and invest in and share common goods (e.g., warehouses or processing equipment). Hence, their relationship is of a socio-economic nature, focused on identifying market opportunities within a concrete business plan while strengthening social cohesion, both of which are further reinforced through an improved model of aggregation.
TIMEFRAME	TBC
SECTOR CONTEXT	Due to conflict, aggregation has become more challenging and underdeveloped in Iraq. This has eroded social capital and the institutions that enable collective action. Furthermore, the infrastructure which is essential to aggregation, farm productivity and value chain competitiveness have been destroyed or need major rehabilitation. The lack of infrastructure also means that access to innovation, knowledge and technology has been restricted, and farming practices and technologies in value chains became outdated, with negative consequences for the environment. In rebuilding this infrastructure, there are opportunities to identify and build strong points of aggregation, a form of collective action leading to attendant productive and commercial partnerships. Global lessons indicate that aggregation of small and medium scale farmers helps achieve economies of scale along value chains. Aggregation points bring together small farmers, off-takers, processors, transporters and traders, and facilitate access to other services, including finance, market information, etc., as part of productive partnerships at given stages of the value chain. The integration of digital technologies can improve points of aggregations and make the agri-food sector more efficient, inclusive, and environmentally sustainable, thereby increasing benefits for farmers, consumers, and society at large. In post-conflict environments, aggregation is recognized as an important first step towards reestablishing trust and improving overall governance.
COMPONENTS	Component 1: Identifying demand and opportunities for aggregation Component 2: Investing in supply chains Component 3: Governance and project management
FINANCING	I3RF: US\$5 million

LINKAGES TO OTHER PROJECTS/ INITIATIVES	EODP and revitalizing the agriculture sector in Iraq (P171561)
LINK TO GOI REFORM AGENDA	The project directly contributes to the White Paper, which prioritizes interventions in the agri-food sector and more specifically “Improving the entire value-added chain from the start to the end”.
TYPE OF SUPPORT	Technical Assistance
GENDER EQUALITY & WOMEN EMPOWERMENT	Contributes to economic empowerment of women and girls and improving data on gender. In 2018, gender inequality in Iraq resulted in a 19.8 percent reduction in human development. These inequalities are more evident in rural areas, where they are aggravated by limited access to finance, natural resources, agricultural inputs, education health services, and substantial social inequalities. This is in contrast with the significant role that women play in agriculture and the food-system. The project seeks to close gender gaps in access to productive resources that contribute to economic opportunities. More specifically, it will address gaps in the project areas and sector that limit access to knowledge and improved technologies by targeting women in the diffusion of technologies, best practices, and knowledge through the appropriate access channels. This will help women-owned, small agricultural enterprises, and benefit women in their roles as producers, processors, marketers, and service providers.
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 even more 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 FAOSTAT, agriculture also contributes a substantial share of Iraq’s 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 contribute to 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.
COVID 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 efforts to implement a new program for agriculture and rural areas that would lead to a stronger and more inclusive recovery.
IMPLEMENTATION ARRANGEMENTS	The Agriculture and Food Practice is managing this activity. The implementation entity will be the FAO of the UN. The contributing practices include Digital Development, Gender, Macroeconomics, Trade and Investment, Social Protection & Jobs and Water.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	The project would (i) increase knowledge related to the required standards for improved competitiveness and market access of targeted value chains; (ii) strengthen points of aggregations productive market links through productive investments, technical assistance and business development, (iii) increase adoption of improved climate-smart agriculture technologies by beneficiaries; (iv) facilitate trust between producers and buyers/sellers through good financial and governance mechanisms.
IMPLEMENTATION CHALLENGES	The agreement on implementation arrangements related to the project and the restrictions imposed by the COVID-19 pandemic resulted in some delays.

BENEFICIARIES	The direct beneficiaries of the project are 1,600 smallholder farmers, of which at least 30 percent will be women, and 30 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 pilot will take place in the ThiQar, Babylon, and Erbil Governorates.

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

P CODE	P173049
GOVERNMENT COUNTERPART	Ministry of Health and Environment
READINESS & GOVERNMENT ENGAGEMENT	The team has worked closely with the Ministry of Environment through its International Environmental Relations Department and Oil Pollution Division both during preparation of the concept for this BE project and its implementation.
STATUS	BE: Active; RE: pipeline
PROJECT DEVELOPMENT OBJECTIVE	To support Gol in analyzing environmental hotspots and prioritize rehabilitation and clean up actions.
BRIEF PROJECT DESCRIPTION	The BE activity is primarily informed by 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 unusable nature of over 2.3 million hectares of land due to a series of conflicts in Iraq. Building on ongoing efforts of the Chemical Management and Contaminated Sites Assessment Department of MoHE and other development partners such as UNEP's Crisis Management Unit, the activity 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) Support preparation of technical studies (including engineering, costing, etc.) for remediation of priority hotspots; (iv) Support preparation of a national register of contaminated hotspots, and (v) Develop a road map/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 and safety risks and contributing to local economic development through remediation. Based on the progress of these activities, an RE activity will also be designed that can implement remediation of priority hotspots, augment the laboratory and detailed assessment infrastructure of MoE, and design a national program for the remediation of polluted sites in Iraq. The current BE activity will also complement this long-term program development objective of the Gol.
TIMEFRAME	August 2020–December 2022

SECTOR CONTEXT	<p>The DNA 2018 by the WB estimates damages 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 more than 2 million ha of land contaminated by land mines and hazardous chemicals. Additionally, attacks on oil and sulphur refineries have created major environmental hazards in Salah El Din and Nineveh. A disproportionately high impact is felt by the most vulnerable members of society who are more reliant on natural resources to sustain their livelihoods. These groups include the estimated three million IDPs, women, female-headed households, and youth. Restoration of the damaged Environmental and Natural Resource (ENR) assets will require funding of 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 amount includes infrastructure reconstruction, capacity restoration, and environmental rehabilitation (ecosystem rehabilitation, clean up, and remediation, etc.). There are significant capacity and environmental infrastructure gaps in MoE, and the GoI that need to be addressed. Environmental management capacity at the national and governorate level was also damaged as a result of damage to several facilities used by the MoE including administration buildings, laboratories, research centers and environmental monitoring stations. Disruption of these services is expected to be greatest in areas of most intense conflict. As a response to this context, the GoI, through MoHE and the Ministry of Oil (MoO), have put in place a number of institutional measures to monitor, manage and remediate polluted sites. The GoI, in partnership with UNEP, has also conducted a rapid scoping in four of the seven affected governorates that revealed extensive environmental damage caused by the conflict, and the need for detailed contaminated site assessments. In this context, the current engagement on environmental hotspots agenda provides a unique opportunity to develop a long-term program to institutionalize the management of contaminated sites within a program anchored in the MoHE and MoO and demonstrate its implementation with support for I3RF. The GoI has identified a set of key priority actions for which technical assistance of the WB/ I3RF is required: (i) support to adopt institutional measures, and (ii) develop technical capacity for remediation and rehabilitation, including: technical support to the government to map and create a National Inventory of Contaminated Sites (NICS); provision of best practice methodologies to conduct detailed site assessments and prioritize sites for remediation/rehabilitation (including environmental and social standards); technical assistance to develop a road map and national program for the remediation of contaminated sites; and support to identify policy/institutional measures for the long-term sustainability of the remediation program. In parallel, GoI intends to take up remediation activities at priority sites so that the staff of MoHE and MoO can develop long term capacity for sites assessment and remediation.</p>
COMPONENTS	<p>Component 1: Develop a detailed inventory of pollution hot spots/contaminated sites Component 2: Identification of priority remediation sites Component 3: Detailed assessment of priority contaminated sites Component 4: Develop a road map/action plan for remediation of contaminated sites in Iraq</p>
FINANCING	I3RF: US\$6 million (US\$1 million BE and US\$5 million RE)
LINKAGES TO OTHER PROJECTS/ INITIATIVES	No direct links with projects outside I3RF. However, based on the results of the ongoing BE and proposed RE activities, development of an IBRD can be considered.
LINK TO GOI REFORM AGENDA	The activity is linked to Recovery Pillar 3 (Social Human Development) of GoI's Reconstruction and Development Framework (RDF) that identifies the rehabilitation of environmental hotspots as a priority outcome. The activity 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 insecurity, and exclusion of vulnerable groups.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to 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 current activity is an ASA, implementation of remediation technologies 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 can cause spreading of soil and ground water contamination, desertification, and making 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 implementation of remediation activities based on the recommendations of the project will contribute to the reducing GHG emissions.
COVID RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	The activity is being carried out in close partnership with the MoHE and its oil pollution division. In addition, the ASA will also engage with the EPID, the Environmental Council, EPIDs in identified Governorates and the MoO. The activity is being managed by the Environment, Natural Resources and Blue Economy (ENB) Global Practice of the World Bank.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	Currently, both activities are on track to achieve the targets. So far, the project has completed (i) satellite mapping of 77 environmental hotspots in the seven conflict affected governorates (component 1); (ii) identified priority sites for detailed mapping (component 2); and (iii) conducted a comprehensive eight module training for 30 officials at MoE. Currently activities related to detailed assessment of pollution of the sites (component 3) are being initiated.
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 filed inventory of environmental hotspots and assessment of their pollution status. To address these challenges, the team modified its implementation strategies by (i) taking the support from the European Space Agency to map the environmental hotspots through satellite imageries; (ii) training MoE officials on environmental hotspots and (iii) identifying local agencies to conduct pollution analysis of hotspots. Some delays are noted under components 3 and 4 due to the processes related to hiring a local agency for implementation.
BENEFICIARIES	The activity 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 seven affected 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	P175808
GOVERNMENT COUNTERPART	Ministry of Construction, Housing, Municipalities and Public Works (MoCHMPW), MoB, BWA, BSA, BWD
READINESS & GOVERNMENT ENGAGEMENT	The Project is already ongoing. The Task Team is working with Government Counterparts for project implementation.

STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To adapt global good 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 Basra WSS service provider, adapting good WSS utility management practice to Iraq's specific FCV context. The initial implementation support will leverage the 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 BSA. The project will 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, including advice on how to reverse the free water provision policy under COVID-19; (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 below. In parallel, a TA program for Basra's WSS service providers – the BWD and the BSD will draw on the emerging lessons from the Baghdad operation. The TA program for Basra will include: (i) Assessing processes of water, customer and financial management and developing a plan to modernize systems and reverse the free water provision policy under COVID-19; and (ii) Developing options for a water supply backup plan for Basra's recurrent summer drought emergency. Based on this TA, roadmaps for the corporatization of the Baghdad and Basra WSS service providers will be developed. While the institutional setup of service delivery is different in Baghdad and Basra, developing "roadmaps" for corporatization of WSS services in both places would have common elements and could provide a template for other parts of Iraq. The corporatization roadmaps would thereby provide a springboard for developing a national program of WSS service provider reform.
TIMEFRAME	2020–2023
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. Recent protests highlight the need for the state to deliver WSS. The aim of this activity is to complement investment in infrastructure with that in institutional development. This implementation support to Baghdad would provide a springboard to develop a parallel program of technical assistance in Basra and beyond.
COMPONENTS	Component1: Implementation support to the Baghdad WSS improvement project Component 2: Technical assistance program for Basra's WSS service providers Component 3: Developing roadmaps for the corporatization of the Baghdad and Basra utilities and disseminating 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 GOI REFORM AGENDA	The White Paper – “Iraq - Final report Emergency Cell for Financial Reforms” of October 2020 highlights 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 service fee collection principle; (ii) Restructure the municipal departments and the concerned institutions in charge of water and sanitation services on a commercial or semi-commercial basis; (iii) Laying the foundations for public-private partnerships in the water and sanitation sectors and opening the sector to qualified private investors and operators; (iv) Establishing 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.
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, as well as high levels of violence and inequality. In Iraq, the burden of coping with deteriorating access to WSS falls mainly on women and girls. Women and girls bear the increased burden of fetching water and meeting other basic household needs from longer distances as water resources dry up. The project will develop an emergency security water plan which will help in stemming decline and improving access to WSS, especially piped water to households, which when implemented will generate time savings for women and girls. Access to and the responsibility for managing water supply and sanitation is regularly monitored through household surveys and these data will be used to monitor sector outcomes for this grant. In addition, the development of the Customer Relation Management System will help in gathering information and data about households, and aggregated data by gender.
CLIMATE CHANGE & THE ENVIRONMENT	This project indirectly supports climate adaptation and mitigation. Through adaptation - providing support and advice to the update of the water strategy and develop emergency water security plans for Baghdad and Basra; and mitigation - modernization and corporatization of the Bagdad and Basra water and wastewater authorities and departments respectively and improving a CRM system.
COVID RESPONSE & IMPACT	The development of the EWSP will help the water service providers in Baghdad and Basra to respond quickly and firmly to shocks, whether from the COVID-19 pandemic or from other natural or man-made calamities.
IMPLEMENTATION ARRANGEMENTS	This grant is managed by MNA Water Global Practice, in close collaboration with other relevant Global Practices in cooperation with the MoCHMPW, MoB, BWA, BSA and BWD.

KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	<p>The project provided implementation support for the institutional development aspects of the Baghdad Water Supply and Sewage Improvement Project (P162094) and planned for a program of utility reform TA to Baghdad and Basra WSS service providers. In the process to achieve the first anticipated result; Area Based Approach Plans, (i.e., Emergency Water Security Plan (EWSP)), the project has developed a diagnostic report on the 2015 strategy for water and land resources (Water Resources Planning and Investment Analysis; how local reallocation can help meet national water resources management objectives). The main findings are (i) Due to the challenges, both old and new, that Iraq faces, the national strategy for the development of water and land resources for the next 20 years needs to be revised to account for the lack of investment over the past five years, changes in demographics due both to internal displacement and the actual economic context, and significant changes in the hydrology of the Twin Rivers that have occurred during the past five years. In particular, the destruction of water infrastructure by ISIS, climate change impacts, and the completion of the Ilisu Dam on the Tigris River in Turkey are all significant changes that must be accounted for in planning for water and land usage; (ii) Another aspect of the Strategy in need of updating is in the role of local institutions in decisions about water allocation and use. Although central water resource institutions must retain oversight, there are opportunities to decentralize some aspects of water management that would draw on local knowledge and priorities. The report described the main principles of the national Strategy, before going on to reconsider how national, regional, and local institutions could interact with each other to develop new options for reallocating water resources in ways that would promote local interests and capabilities while living within the overall water resources limits expected to be available to Iraq by 2030. Furthermore, the project will assess the impacts of climate change on water resources, which will add substantial data in the development of the EWSP for BWA. The task team has developed a ToR to recruit consultancy services to work with them to develop it. Furthermore, this will feed into the update of the national strategy. The second result of “number of water utilities with improved financial viability (assessed based on improved service provider operating-cost coverage ratio, in percent)”; the project completed a roadmap for the digital transformation of WSS delivery. The report included an assessment of customer relations management (CRM) and billing systems, and has identified opportunities to improve the current status, and proposed future state information technology architecture (models) and key programs of work to deliver future business requirements at BWA. The task team is working with the BWA team and MoB in the procurement of the CRM and billing system to improve customer relations and revenues management. The White Paper – “Iraq - Final report Emergency Cell for Financial Reforms” of October 2020 highlights 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 specifies the importance to restructure the municipal departments and the concerned institutions in charge of water and sanitation services on a commercial or semi-commercial basis. In line with this, the project developed a ToR to study corporate governance restructuring options for improved water supply and sewerage service provision in Baghdad. While implementing the above-mentioned activities, the project team will document emerging lessons from Baghdad in short accessible notes in English and Arabic and directly feed them into the Basra TA program, which will follow the same steps and is likely to achieve the same results.</p>
IMPLEMENTATION CHALLENGES	<p>The main challenge for the project team is to meet the client team face-to-face, which will allow for better engagement and discussion between them, and to visit the client’s institutions to better understand the challenges on the ground. This will help in having a faster decision making at the client side and better understanding of the client constraints and opportunities.</p>
BENEFICIARIES	<p>The main beneficiaries are the BWA and BWD and their people who would benefit from the implementation of the outputs of the project (EWSP, CRM and billing system and corporatization roadmap). The outputs are expected to help in improving the institutional capacity to provide services to people in different categories (old, young, women children, etc.).</p>
GEOGRAPHIC COVERAGE	<p>The project is focused on MoB and Basra city; however, it is expected that outputs, learned skills and experiences will be transformed to other water utilities.</p>

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

P CODE	P175879
GOVERNMENT COUNTERPART	Ministry of Electricity
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, as well as the Bank's Pan-Arab Regional Energy Trade Program team and consultants.
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 GCC member states through the planned interconnection with the 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–June 2022
SECTOR CONTEXT	The GCCIA is the owner and operator of a 400kV, 1,900MVA, 900km backbone transmission line that supports reserve sharing and energy exchanges among the six GCC member states. The GoI has agreed with GCCIA on extending the transmission line (GCCIA Interconnector) from its northern end point at Al-Zour in Kuwait to Al-Faw in southern Iraq (220km inside Kuwait and 80km inside Iraq). The GCCIA Interconnector extension is estimated to cost US\$220 million with a duration of 12–14 months for implementation. The GoI 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, and thus risks the line's under-utilization, and may incur take-or-pay commitments by the GoI. 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 operational flexibility, hence improved electricity supply reliability, and (iv) reduce transmission network technical losses. The Bank is currently in discussion with the Ministry of Electricity to support the required strengthening of the electricity network in the southern region through providing the requisite technical and economic due diligence via a Bank Executed technical assistance activity; and potentially to consider a government request for lending to carry out the requisite network strengthening activities (i.e., supply and installation of transmission lines, substations and transformers).
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 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 GoI's goal to increase female labor force participation. Women's access to reliable and affordable electricity could contribute tremendously 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 (WDI 2019).
CLIMATE CHANGE & THE ENVIRONMENT	The activity has no direct contribution to climate mitigation and adaptation, or the NDCs for Iraq.
COVID 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 & RESULTS FROM JANUARY TO DECEMBER 2021	<p>The key deliverable expected from the technical assistance activity is a technical and economic analysis (load flow analysis, identification of infrastructure reinforcements, economic and financial assessments). This will allow the Bank and the Ministry of Electricity to evaluate existing electricity transmission infrastructure in the southern region and assess needed reinforcements.</p> <p>Much of the information and data requested has been received from the Ministry of Electricity's technical committee. This includes detailed lists and technical specifications of: (1) existing generating units with bus numbers, zone, fuel type and MW rating; (2) planned generating plants for 2020–2035; (3) generating plants modeled in the 2030 Case; (4) new transmission line additions; (5) transformer additions; (6) existing transmission lines; (7) existing transformers; and (8) planned transmission lines and transformers for 2020–2035.</p> <p>A preliminary load flow analysis has been conducted by the Bank team, which includes: (1) overview of the Iraq power system; (2) evaluation of the technical capability of the Iraq transmission networks (132kV and 400kV) to dispatch its own thermal and planned renewable energy generation, as well as the 1,800MW imports via a GCCIA connection; and (3) multiple scenarios and sensitivity analyses for Iraq's connection points with the GCCIA backbone interconnector, including geographical locations and estimated costs. A first draft of the report has been completed and is undergoing further review and discussion.</p>
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 utilized 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 Muthanna, ThiQar and Missan.

1.3 HUMAN CAPITAL AND EMPLOYMENT

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

P CODE	P171639
GOVERNMENT COUNTERPART	MOLSA and MoP
READINESS & GOVERNMENT ENGAGEMENT	Project progressing well with strong government buy-in
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To continue supporting MOLSA to develop a resilient 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.
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, its poverty targeting and accuracy. The jobs-related assistance focuses on two areas: (i) 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; and (ii) establishing the foundation for Iraq's first economic inclusion pilot through knowledge-building, knowledge-sharing and concept development.
TIMEFRAME	November 2019–June 2022

SECTOR CONTEXT	<p>The poverty rate in Iraq in 2018 stood at 20 percent (with significant variations across regions and governorates), with about 2.8 million people impoverished as a direct result of the war. With the advent of the COVID-19 pandemic and the ensuing economic downturn, the poverty rate is expected to rise by 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 (the universal Public Distribution System), which distorts public expenditures and diverts resources away from those that need them most. The budget left for non-subsidy social safety net programs is spent on the Unconditional Cash Transfer (UCT) program, which suffers from significant challenges, including coverage and effectiveness, and 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 support they need to exit the cycle of vulnerability.</p>
COMPONENTS	<p>Component 1: Social Protection Support Program Phase 3: (i) Case Management and Behavioral Interventions: Support MOLSA to review and operationalize the case management framework developed under Phase 2, and test behavioral interventions to encourage school enrollment; (ii) Poverty Targeting: continue the joint World Bank-Cash Working Group analytical work which seeks to identify overall social protection needs in light of the displacement crisis; (iii) Social Registry: Support MOLSA to develop its Social Registry through on-going technical assistance and capacity building for the MOLSA Information Technology teams and the Social Protection Commission; and (iv) Humanitarian/Development Nexus: Support the improvement of the MOLSA Cash Transfer Program targeting accuracy, as well as contribute to the Pensions and Social Insurance Chapter of the PER for Iraq, and support the operationalization of the recently launched Social Protection Forum, chaired by MoP.</p> <p>Component 2: Private Sector Analysis and Skills Assessment: Administer three large surveys to understand private sector dynamics, its job creation and the skills that it uses and needs.</p> <p>Component 3: Economic Inclusion Pilot for Poor Iraqis: (i) Knowledge and capacity building on productive and economic inclusion, identifying and showcasing international examples, and organizing knowledge-sharing events; and (ii) Technical and analytical work to inform the design and implementation of the economic inclusion pilot.</p>
FINANCING	I3RF: US\$1.45 million; Partnership for Economic Inclusion: US\$178,800
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>The third phase of the Social Protection Support Program builds on the first two phases of support that were completed over the past few years and is a continuation of the Bank's effort to continue to strengthen the system and social protection services. It is also linked to the World Bank's Human Capital Project and agenda, especially as it supports behavioral interventions that can improve the education outcomes of the population. The surveys conducted under the Private Sector Analysis and Skills Assessment activity will benefit the upcoming operation of Protecting and Promoting Human Capital in Iraq (also I3RF funded), and the general work of the Education, Finance, Competitiveness & Innovation (FCI) and MTI GPs and could directly inform their agenda through evidence. It will also add to the existing database of similar enterprise surveys around the world, consequently becoming a public good. The EIP is linked to the larger World Bank economic inclusion agenda and work on sustainable livelihoods, as it seeks to provide a host of services and support to address the multi-dimensional aspects of poverty and vulnerability.</p>
LINK TO GOI REFORM AGENDA	<p>Axis 4 -project 51 that focuses on identifying key priorities for support, integrating beneficiaries' databases, providing adequate protection for the poor, and reforming the public distribution system; Axis 2, and in particular what is related to improving job creation in the private sector's small and medium enterprises, and improving human capital through better training and acquisition.</p>
TYPE OF SUPPORT	Technical Assistance and Analytics

GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to the economic empowerment of women and girls. The female labor force participation rate in Iraq is estimated at 12 percent and female-headed households more likely to be vulnerable. This TA considers and affects women and girls in all of its components. Improving the case management system, the targeting, and introducing behavioral interventions will directly affect poor-female headed households (who currently constitute about 32 percent of the 1.4 million current recipients of the cash transfer program). The behavioral interventions to encourage schooling under SPSP3 are also expected to encourage school enrollment for young girls. For C.2, the surveys have specific questions that relate to female employment and the various services provided to them and will allow Iraq to gain a better understanding of their role and skills in the private sector. Ultimately, the work that is being separately funded through C.3 will lead to an economic inclusion pilot (currently under preparation) that will directly incorporate a target of female beneficiaries, of at least 40 percent, and will include services that cater to their needs, such as additional training for their successful productive inclusion.</p>
CLIMATE CHANGE & THE ENVIRONMENT	<p>The project takes climate considerations in its implementation. Against climate change-induced threats in Iraq, and through the strengthening of 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, as well as help them establish alternative sustainable livelihoods through productive accompanying measures.</p>
COVID RESPONSE & IMPACT	<p>Most of the activities of this ASA are taking place during the pandemic. The data collection activities, especially for C.2 for example, will build a baseline for the state of the private sector, its job creation, the skills of the workforce during the pandemic, and will directly inform policies. Moreover, analysis that has been done as part of this component of a separately funded rapid phone surveys of the private sector and workers in Iraq show key impacts of COVID-19 on the sector and on employment. The contribution to the Public Expenditure Review of this technical assistance, under C.1, also comes at a crucial time as the country tackles the economic downturn and fiscal pressures that are the direct consequences of the pandemic. Finally, the ASA also supported a revised poverty analysis given the shock of the pandemic and the fluctuation of oil prices using simulations.</p>
IMPLEMENTATION ARRANGEMENTS	<p>Most of the ASA activities are managed directly by the Social Protection and Jobs (SPJ) GP. The SPSP3 component has been undertaken in partial collaboration with the Poverty GP. The Private Sector Analysis and Skills Assessment component will be led by the SPJ GP and in collaboration with the Enterprise Analysis Unit within the World Bank, while also having consulted with MTI.</p>

KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	<p>In May 2021, in light of emerging priorities, and in consultation with partners, the following activities were suspended under Component 1: (i) the preparation for the Conditional Cash Transfer pilot, given suspension and uncertainty of school classes; and (ii) the targeting accuracy exercise for the Cash Transfer Program, due to COVID-19 and the launch of a similar exercise through a separate ASA (The Human Capital Review).</p> <p>The following activities are ongoing but delayed: (i) C.1- the behavioral intervention; an NGO was hired to implement it; (ii) field work for poverty targeting assessment that seeks to validate initial findings; and (iii) C.2- Private sector surveys.</p> <p>The following activities were newly added: (i) C.1- support for MOLSA for the establishment of its social registry; (ii) C.1- support for the dialogue on pensions reform; (iii) C.1- support for the dialogue on subsidy reform; and (iv) collaboration with the World Bank Poverty Global Practice to update the current poverty targeting system based on the results of the upcoming IHSES survey.</p> <p>Component 1- SPSP 3: The Social Protection component is progressing well, and the team is supporting MOLSA with systems strengthening. Results achieved to-date include: (i) assessment of the ministry's ICT systems and infrastructure; (ii) cleaning of existing databases; (iii) installation of needed servers; and (iv) substantial capacity building and on-the-job training to the IT team of MOLSA to clean the database using the data quality and cleaning tool, cybersecurity to strength the system security and system development training to enhance, and fill the gaps founded in the system, using the latest technology. An update on poverty and vulnerability following the pandemic and the fluctuation of oil prices was also achieved with results discussed, presented and shared with the GoI through a report during 2020. Moreover, joint World Bank-Cash Working Group poverty targeting work has been completed and will soon be published and discussed in various seminars. The reduced pilot to test behavioral interventions on households is close to completion and findings will be finalized by the end of 2021. The work on the Pensions and Social Insurance Chapter of the PER has also been completed.</p> <p>Component 2- The first set of informal business activity surveys have been launched in August 2021 in three out of the four cities (Baghdad, Basra and Sulaymaniyah), with the addition of the city of Najaf following in December. The Enterprise Surveys (which include microenterprises in four cities, and small, medium, and large enterprises in 10 cities) was launched. This has followed extensive work over the previous year to establish a sample frame, relevant grids for the informal business surveys, digitalization and translation of questionnaires, and training enumerators and interviewers. Data collection is expected to be finalized by the end of May 2022.</p>
IMPLEMENTATION CHALLENGES	<p>The key challenges relate to delays due to COVID-19.</p>
BENEFICIARIES	<p>The GoI in general, specific line ministries, namely MOLSA, and the population of Iraq, especially the poor and vulnerable, who may benefit from the systems building agenda and future reforms and policies that are informed by this technical assistance.</p>
GEOGRAPHIC COVERAGE	<p>National level for all activities, and sub-national levels: the microenterprise survey will cover Baghdad, Basra, Erbil and Sulaymaniyah; the informal business activity survey will cover Baghdad, Basra, Najaf and Sulaymaniyah and the behavioral intervention was tested on households in Basra and Kirkuk.</p>

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

P CODE	P174422
GOVERNMENT COUNTERPART	MOLSA
READINESS & GOVERNMENT ENGAGEMENT	The pilot concept was first discussed with the MOLSA during a mission to Baghdad in March 2020 following preliminary discussions in 2018. Between March and July of 2020, international experiences were shared with staff from the Ministry, through presentations by the World Bank team, as well as presentations arranged virtually with Yemeni and Egyptian counterparts who have launched similar programs in their countries. These sessions included staff from the various sections under the Directorate of Labor and Vocational Training (DLVT) of the ministry, ranging from the planning section, the training section, the microloans section, the incubators section and others. From July to October 2020, the World Bank worked with the DLVT to further decide some pilot parameters of location, economic activity focus, beneficiaries and implementation arrangements, including a virtual project preparation mission in October with MOLSA and the MoP. Members of the project's management team have been tentatively identified. Moreover, the World Bank has carried out assessments of the financial management, procurement, and environmental and social safeguards capacities of the Ministry, in line with IPF rules and regulations. The project is entering the appraisal stage and is expected to be approved by the Bank in March 2022.
STATUS	Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To create sustainable livelihood opportunities for 2,200 poor Iraqis, including youth and women, and contribute to the alleviation of their poverty.
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 grants to 2,200 households in the south to start self-employment activities. The pilot will be implemented in the rural area of ThiQuar and will target households selected from beneficiaries of the Cash Transfer Program 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	April 2022–September 2024

SECTOR CONTEXT	<p>The recent pandemic, the fall in oil prices, and the ensuing economic downturn are expected to further exacerbate poverty, and to increase the poverty rate by 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 leave 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 and medium terms. 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, high share of youth that are idle; low female labor force participation (estimated at 11.6 percent); and high informality (over 90 percent of private sector workers in Iraq). Moreover, the average income of private sector workers is low, with large gender differentials - a mean of US\$71 a month for women, compared to about US\$350 for men. This highlights challenges to both the quantity and quality of job creation and sustainable livelihoods in Iraq, especially in the private sector. 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. Many countries around the world had begun to implement “Cash Plus” programs which incorporate a more holistic approach to poverty by providing training and livelihood support, including the provision of assets to start or expand activities. In Iraq, training for self-employment activities that can support sustainable livelihoods, such as business development, financial literacy and others, are limited, sparse or non-existent. Finally, MOLSA’s microfinance loans, while potentially an important instrument of support, especially for the poor and vulnerable, have little evidence of their impact or their targeting and often require a sponsor that guarantees collateral – an option rarely available to the poor.</p>
COMPONENTS	<p>Component 1. Implementation of the EIP: (i) Phase 1: Preparation which consists of market analysis, beneficiary profiling and awareness campaign, registration and household selection; (ii) Phase 2: Delivery of non-financial and financial interventions which include beneficiary training, asset transfer, and coaching and mentoring; and (iii) Phase 3: Monitoring and Impact Evaluation</p> <p>Component 2. Project management and monitoring</p>
FINANCING	<p>I3RF: US\$5 million (US\$ 600,000 BE; US\$4.4 million RE). The pilot will be further supported by the Partnership for Economic Inclusion of about US\$100,000 to conduct the baseline survey of beneficiaries and the control group for impact evaluation.</p>
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>The EIP is linked to the larger World Bank economic inclusion agenda and work on sustainable livelihoods.</p>
LINK TO GOI REFORM AGENDA	<p>(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, particularly what focuses on promoting agriculture and through its focus on human development.</p>
TYPE OF SUPPORT	<p>Analytics and pilot activity that can be scaled up or inform a broader recovery program</p>
GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to the economic empowerment of women and girls. Unemployment among women and low female labor force participation (11.6 percent) 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 specific support in terms of training, coaching and mentoring, bearing in mind other considerations during the design phase such as childcare services and social norms.</p>
CLIMATE CHANGE & THE ENVIRONMENT	<p>The project takes climate considerations in its implementation. The pilot specifically targets beneficiaries of the Cash Transfer Program and will support sustainable livelihood activities, especially agriculture 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.</p>

COVID RESPONSE & IMPACT	This project seeks to mitigate the pandemic's impact on livelihoods and labor market outcomes, and to support recovery. The challenge of job creation and sustainable livelihoods is ever more pressing as the pandemic amplifies Iraq's poverty and vulnerability. The pilot will also allow the Ministry to initiate a broader and more effective set of interventions that could transform into wider programs and policies.
IMPLEMENTATION ARRANGEMENTS	The EIP will be managed by MOLSA, through a PMU within the DLVT. From the Bank's side, the project will be led by the SPJ GP in collaboration with selected GPs, namely Poverty and Agriculture.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	Project is still under preparation
IMPLEMENTATION CHALLENGES	The project faced delays due to compliance related discussions with donors. The issue was resolved as of September 2021.
BENEFICIARIES	2,200 beneficiaries, to be selected from the Cash Transfer Program administered by MOLSA (who are and will continue to receive their cash transfers throughout the pilot). 45 percent of the pilot's beneficiaries will be women.
GEOGRAPHIC COVERAGE	The pilot will target the southern governorate of ThiQar, which suffers from high poverty rates.

Support to Education and Skills Development in Iraq – BE activity

P CODE	P171165
GOVERNMENT COUNTERPART	MoED, MoHESR
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 GoI's capacity to provide quality education services for improved Human Capital development.

BRIEF PROJECT DESCRIPTION	This programmatic ASA seeks to strengthen the GoI's capacity to provide quality education services. 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 programmatic ASA 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 to focus on improved Human Capital development. In addition, the activities create the necessary evidence base and institutional capacity needed for future education and human capital development Recipient-Executed activities and lending operations.
TIMEFRAME	December 2019–June 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	<p>Component 1: Improved Education Sector Inputs and Diagnostics: (i) Service Delivery Indicator (SDI) Survey to assess strengths and shortcomings of schools and enable the GoI to make strategic, cost-effective decisions for teacher recruitment, employment, and training policies; (ii) Mobile Data Collection (MDC) platform technical support to support the GoI in setting up a platform, while building capacity for the use of a comprehensive Education Management Information System; (iii) School construction policy and Teacher Allocation Diagnostic and Guidance Note to support the GoI in developing a data-informed school construction and teacher allocation policy; and (iv) Public Expenditure Review to analyze the efficiency, adequacy, and equity of expenditures by MoE, MoHESR, and MOLSA and to provide policy recommendations to support enhanced accountability and service-oriented provision of public institutions; and (v) Iraq Education Sector Reform Note published in 2021</p> <p>Component 2: Strengthening Education Sector Strategies and Policies: (i) National Education Strategy, in cooperation with UNESCO, to guide the future development of the education system; (ii) On-Demand Technical Assistance to respond to changing demands for support by the GoI in a post-conflict situation: COVID-19 briefs and best practice guidance notes for remote learning during school closure, and strategies for school re-opening; and (iii) Additional Iraq National Assessment Strategy Framework (since November 2020), to support the GoI to develop a holistic strategy on how to assess learning. (Please note change of scope: The Early Childhood Education Strategy, which was included in the Concept Note, is being prepared with the support of UNICEF and thus is no longer part of the planned activities. The associated funds have been allocated to the Iraq National Education Strategy).</p> <p>Component 3: Skills Pilot: Higher Education sector pilots to promote skills (Competitive Fund Initiative) to support higher education institutions to respond to the needs of the labor market, particularly among university graduates. Call for proposals will be launched among Iraqi public universities to submit short-term complementary programs, in partnership with the private sector, to address the skills gap.</p>
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, UNESCO) and MoHESR.

LINK TO 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 WP 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) 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	The GFDRR funded preparation of criteria for disaster risk reduction and improved learning environments will support GoI to understand and reduce vulnerability to natural hazards and climate change.
COVID 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 (INES) 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 grant is managed by the Education GP, in collaboration with other GPs, including SPJ, Health, MTI, Gender, FCI, and the Development Economics Unit.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	In 2021, the Human Development Public Expenditure Review, which included a chapter on Education, was published and launched . The PER analyzed the efficiency, adequacy, and equity of expenditures by MoE, MoHESR, and MOLSA, and recommended policies to support enhanced accountability and service-oriented provision of public institutions. A draft of the National Education Strategy was completed by December 2021. The school infrastructure policy and the Teacher Allocation Diagnostic and Guidance Note will be finalized over the next two months. In addition, the teacher allocation policy will be completed by end of 2021. A school level SDI survey to measure learning and factors relevant to learning (resources, teacher knowledge, home background, etc.) has been prepared. Data collection had to be postponed from school year 2020/2021 to the current school year 2021/2022 and will take place over the coming months. Two new deliverables were added in 2021: (i) Iraq Education Reform Plan was prepared and published. The reform plan builds on the Iraq reform plan (White Paper) by proposing short- and medium-term reforms in the sector; (ii) Assessment Strategy Framework, at the request of the MoE will be finalized February 2022. The Competitive Fund (CF) Initiative generated great interest among Iraqi tertiary education institutions (TEIs) and they submitted some 300 concept proposals after the initial call for proposals issued by MoHESR. After the screening by the CF Committee which consists of representatives from relevant ministries (including MoP and MoF), universities and the private sector, about 100 of these concept proposals were invited to submit a full proposal. The Committee's further evaluation produced 30 of these proposals for entering the final selection for future funding. This bottom-up initiative has generated innovative ideas and, more importantly, the mind-set change towards labor market needs. Based on this positive experience, in order to continue the effort in building institutional capacities in this direction, a proposal for an investment project was made to and subsequently approved by the I3RF Steering Committee (i.e., Support to Tertiary Education Project P175694, see below for details).
IMPLEMENTATION CHALLENGES	School closures or remote learning in the school year 2020/2021 necessitated postponement of SDI survey data collection until the current school year 2021/2022.

BENEFICIARIES	Students, youth, women, and marginalized groups. MoE, MoP, MoF, MoHESR and MOLSA will benefit from increased capacity to undertake evidence-based reform.
GEOGRAPHIC COVERAGE	National level.

Innovations towards Learning in Lagging Iraqi Governorates – RE activity

P CODE	P175721
GOVERNMENT COUNTERPART	<p>The RE grant will be managed by the PMT from the EODP-AF Education Component, in close coordination with the relevant technical departments (curriculum, assessment, teachers, e-learning, planning, finance) within the MoE and MoP.</p> <p>Implementation arrangement will use and build on a well-functioning and experienced PMT, that has well established operations and communication channels with the respective governorates and local authorities (the geographic coverage under EODP and this grant is the same). In addition, coordination and cooperation on Education activities between the Ministry of Education, the MoP and the PMT is well-established through ongoing EODP-AF and ASA activities.</p>
READINESS & GOVERNMENT ENGAGEMENT	<p>The activities respond to current government priorities. The WB was asked to build on the current engagement to scale up our 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. In addition, the activities build on and complement ongoing education operations (for example, expanding and building on teacher training activities under EODP Education component) and technical assistance (SESDFI ASA), and leverage capacity built under those to allow for holistic and timely support to address the most urgent education sector needs. As mentioned above, this RE grant will be managed by the PMT from the EODP-AF Education Component, in close coordination with the MoE and MoP. This implementation arrangement will use and build on a well-functioning and experienced PMT.</p>
STATUS	Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To enhance teaching practices and improve literacy and numeracy skills among the most vulnerable primary students in lagging governorates in Iraq.
BRIEF PROJECT DESCRIPTION	<p>This project supports the most vulnerable students to acquire early literacy and numeracy skills through support to 1) schools to create a better resourced learning environment and provide catch-up classes, 2) comprehensive teacher training and development to teachers 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 effect 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 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.</p>
TIMEFRAME	January 2022–October 2023

SECTOR CONTEXT	<p>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. Based on current enrollment rates, an Iraqi child can expect to complete only 6.9 years of schooling. However, when considering the amount of learning that takes place, this child will achieve only 4.0 learning-adjusted years of schooling (LAYS) by age 18. As a result, 40 percent of the (already low) time spent in school fails to translate into productive skills when this child enters the workforce (World Bank 2020). This is an alarmingly low level of learning, the lowest in the MENA region. Years of conflict and structural inefficiencies have resulted in an education system in Iraq that is not conveying the foundational skills and learning needed to succeed in life. The 2012 Early Grade Reading Assessment (EGRA) and Early Grade Mathematics Assessment (EGMA) highlight large learning gaps in the foundational years. By grade 3, the vast majority of students assessed had not yet acquired sufficient foundational skills – with over 90 percent of students not reading with comprehension. Ongoing school closures will likely lead to another “lost year of learning” and cause even more children to drop out of school, especially from the poorest households. In an effort to mitigate learning losses, MoE introduced remote learning through an online learning platform as well as TV broadcasting. However, the focus has so far been on secondary education, particularly the higher grades sitting for exams, and favoring those with access to technology. In other words, inequitable access to education basic services has amplified existing inequalities, increasing the risk of school-drop out, especially among the most vulnerable students. Innovative education delivery approaches are necessary to provide urgent support, mitigate learning losses among the most vulnerable, and provide evidence to build a resilient education system that ensures learning for all children in Iraq.</p>
COMPONENTS	<p>Component 1. Strengthen teaching practices of Arabic and Mathematics primary teachers in early literacy and numeracy: (i) Providing training to Arabic and Mathematics primary teachers on structured pedagogy and using guided lessons for literacy and numeracy skills, and implementing formative assessments (ii) Implementing continuous learning through peer learning (digital and face to face) and teacher coaching by mentor teachers.</p> <p>Component 2: Support parents and schools with tailored learning tools to serve students while they learn at home or at school: (i) Providing primary students with supplementary literacy and numeracy booklets to promote Reading for Pleasure, (ii) Developing guidance materials (online and offline) to help parents/caregivers to their children's learning and well-being, (iii) Offering school grants to provide basic supplies for teachers', schools', and students' immediate needs.</p> <p>Component 3: Capacity building for school leaders, DOE and MoE and Monitoring and Evaluation: (i) Developing a customized school grant manual and training of school management committees., (ii) Supporting implementation of the National Assessment Strategy and participation in an international large-scale assessment, (iii) Re-defining the role of educational supervisors located at the DOE level and supporting them in their new functions supporting the mentor teachers in schools, (iv) Designing project Monitoring and Evaluation (M&E) systems for tracking student learning and teacher performance.</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 Service Delivery Indicator Survey, the Public Expenditure Review; and underlying data collection and ongoing policy dialogue.
LINK TO 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 become 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 and secondary school students, primary and secondary 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
COVID 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 recent GoI White Paper, 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-Additional Financing Education Component, in coordination with technical departments within MoE and MoP.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	A Project Advisory Committee comprising MoE and MoP representatives has been established and meets regularly with the WB team. Project preparation is making good progress, and Appraisal was completed in December 2021. Negotiations are scheduled for January 2022.
IMPLEMENTATION CHALLENGES	N/A
BENEFICIARIES	Students, Teachers, Parents, Schools in three of the most vulnerable governorates (Al Quadsya, Al Muthanna, Missan), and MoE and DoE local officials
GEOGRAPHIC COVERAGE	The project will be implemented in three of the most vulnerable governorates: Al Quadsya, Al Muthanna, and Missan.

Support to Tertiary Education in Iraq – BE/RE activity

P CODE	P175694
GOVERNMENT COUNTERPART	MoHESR
READINESS & GOVERNMENT ENGAGEMENT	The project design was consulted with MoHESR, MoP, MoHE, MoA, Ministry of Electricity and others. The government request letter for this project is in process.
STATUS	BE: Active; RE: Pipeline
PROJECT DEVELOPMENT OBJECTIVE	To develop institutional capacity in disciplinary areas of tertiary education that support national development priorities
BRIEF PROJECT DESCRIPTION	To support Gol's effort in addressing 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 (5) project coordination and monitoring. 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 improvement such as competitive fund program, partnerships with the private sector, and graduate monitoring; and (iv) students, graduates, alumni and workers who received training and are able to find jobs or start their own businesses to create employment opportunities in the solar energy industry.
TIMEFRAME	December 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 in the country. 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 up with global trends and respond to national/local socioeconomic development needs. The COVID-19 pandemic has exacerbated the situation. Despite the government's efforts, many students have not been reached by distance learning and many tertiary education institutions struggle to deliver courses not suited to online teaching. Lockdown and social distancing have made already limited practical training almost impossible, further exacerbating the skill-mismatch facing tertiary graduates.

COMPONENTS	<p>Component 1: Developing institutional capacity in disciplinary areas that support national development priority sectors. This component focuses support in two national development priority sectors – agriculture and renewable energy – through support to (i) the preparation for establishing a center of excellence (CoE) in each of these priority areas; and (ii) the development and delivery of training/incubation in solar energy for meeting the immediate needs derived from the latest Government’s climate change initiative.</p> <p>Component 2: Strengthening partnerships with the private sector and international institutions for improving graduates’ employability. This component supports MoHESR to establish a Competitive Fund Program (CFP) to foster partnerships between tertiary education institutions and the private sector and international institutions in addressing graduate employability and equipping students with market-relevant skills by (i) carrying out a CFP pilot with nine (9) competitively selected proposals through a transparent process; and (ii) establishing an institutional framework for CFP.</p> <p>Component 3: Project coordination and monitoring. This component supports MoHESR to (i) coordinate and manage day-to-day project implementation operations; and (ii) develop and pilot a graduate monitoring mechanism.</p> <p>In addition to these three components, the project will also be supported by a set of technical assistance activities financed by BETF, including (a) project preparation in areas such as fiduciary assessment, environmental and social safeguards frameworks (ESF); (b) facilitation of international experts and knowledge sharing for development of CoEs in two priority areas; (c) development of CFP protocols and institutional framework (as mentioned in the above Component 2), and helping selected proposal teams to improve their proposals and develop realistic implementation plans; (d) development of a graduate monitoring system (as mentioned in the above Component 3); and (e) analytic work for supporting MoHESR’s evidence-based policymaking and interventions for further reforms of the tertiary education sector such as financing, quality assurance/governance, data, etc.</p>
FINANCING	I3RF: US\$5 million RETF, US\$1 million BETF
LINKAGES TO OTHER PROJECTS/ INITIATIVES	This is the first WB engagement and operation in the tertiary education sector in Iraq. It is possible that synergies may emerge during implementation with other relevant initiatives such as in the renewable energy area.
LINK TO 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 and could potentially contribute to improving laws and policies affecting women through the technical assistance. Data on gender issues are scarce but the HD 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.
COVID 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 CFP proposal teams and their respective host universities. Each of these universities will form a small Project Management Team (PMT) for managing 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 the parties involved in the implementation.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	1)To have the project approved and ready for implementation and 2)To start the analytic TA i.e., concept outline produced and consultants hired.
IMPLEMENTATION CHALLENGES	Unclear at this point as the implementation has not started yet, but institutional capacity and time may be challenging.
BENEFICIARIES	The main project beneficiaries 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; (iii) the tertiary education sector for its established new mechanisms for system improvement such as competitive fund program, partnership with the private sector, and graduate monitoring; and (iv) students, graduates, alumni and workers who received training and are able to find jobs or start their own businesses to create employment opportunities in the solar energy industry.
GEOGRAPHIC COVERAGE	National level. Geographic areas covered by the CFP pilot are eight (8) governorates

Iraq Road Maintenance Microenterprises Grant Project – RE activity

P CODE	P171446
GOVERNMENT COUNTERPART	MoCHMPW
READINESS & GOVERNMENT ENGAGEMENT	Government counterpart has been duly engaged in project preparation, including technical elements and safeguards instruments. Grant agreement is ready for signing and awaiting action by the government counterpart.
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 would 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 for entrepreneurial, managerial, and technical aspects for implementing agencies and individuals in project area would provide a base for project implementation and sustainability. The project will also finance recruitment of experienced consultants in project management, safeguards, M&E, financial management, and procurement to support implementing agencies in establishing the new concept for maintenance.
TIMEFRAME	December 2021–September 2023
SECTOR CONTEXT	Iraq has a significant backlog of road improvement programs and maintenance of assets. The budgetary funds allotted for maintenance are insufficient, but there may be also the risk of underutilization because the contractors are not geared to take up these works. In such a situation, the 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 practically at the bottom of prioritization list for the management authorities, but also cannot attract the contractors' attention due to the location of the works and the size of the typical contracts. 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 have therefore important implications for poverty reduction and local economic and social development.
COMPONENTS	<p>Component 1: Rural roads maintenance subprojects: (i) Sub-component 1.1: Labor-intensive rural roads maintenance works; and (ii) Sub-component 1.2: Technical inspection of works</p> <p>Component 2: Capacity building: (i) Sub-component 2.1: Trainings on technical aspects; and (ii) Sub-component 2.2: Trainings on entrepreneurial, managerial, and technical aspects</p> <p>Component 3: Project management and administration, monitoring and evaluation, and knowledge dissemination: (i) Sub-component 3.1: Project management and administration; (ii) Sub-component 3.2: Monitoring and evaluation; and (iii) Sub-component 3.3: Outreach and knowledge dissemination</p>
FINANCING	I3RF: US\$5 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>The project is related to the ongoing WBG-funded TCP and EODP since 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 which 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.</p> <p>The project is also aligned with the Iraq Vision 2030 which defines the elements and the strategic reforms to establish a new social contract for peace and prosperity.</p>
LINK TO GOI REFORM AGENDA	The project is directly supporting development and strengthening of the Iraqi private sector which has been emphasized in the White Paper through: (i) creating employment opportunities through microenterprises, (ii) creating job opportunities for low-income unemployed workers, (iii) supporting small-sized projects throughout Iraq.
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Works

GENDER EQUALITY & WOMEN EMPOWERMENT	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 is no data to show this, this figure could be lower for the transport sector. Maintenance activities are planned to be carried out by local community workers and to 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, 20 percent of whom are women, spread across 50 subprojects). Additionally, the project will offer specialized training for women based on analysis on the ground that may relate to self-confidence, financial management, and technical training in areas likely to be dominated by men. The design and implementation plan will pay particular attention to physical challenges that women may face, such as transportation.
CLIMATE CHANGE & THE ENVIRONMENT	The project aims to preserve roads through preventive maintenance against climate induced deterioration. In particular: (i) preventing damage from heavy precipitation and flooding by maintaining and providing drainage elements (ditches, gutters, culverts), (ii) maintaining slopes and drainage system 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.
COVID RESPONSE & IMPACT	The project is aligned with the WBG's COVID-19 Crisis Response Approach Paper: Pillar 2 - Protecting Poor and Vulnerable People by providing employment, and in addition, a simplified guide for environmental and social management has been prepared for the project which emphasizes community health and safety risks due to exposure to communicable diseases, including from COVID-19.
IMPLEMENTATION ARRANGEMENTS	The MOCHMPW in Baghdad will be the implementing entity and will use existing institutional coordination with counterparts and will consult stakeholders such as the Ministry of Finance, Ministry of Planning, Ministry of Environment and representatives of civil society as appropriate. The Roads and Bridges Directorate in Bagdad and General Directorate for Roads and Bridges (GDRB) in Kurdistan will be the project implementing agencies, responsible for day-to-day implementation of the activities including procurement, contract administration and management, technical supervision, monitoring and reporting. The Roads and Bridges Directorate will be responsible for the design, procurement, financial management, and social and environmental safeguards of road network maintenance in all governorates except KRI. The Roads and Bridges Directorate is also responsible for the procurement of all consultancy services required for the project; it is also responsible for submitting financial reports to the WBG for components implemented by it and will have a separate Designated Account. The General Directorate for Roads and Bridges will be responsible for design, procurement, financial management, and social and environmental safeguards of road network maintenance in the KRI. It is responsible for submitting financial reports to the WBG for components implemented by it, and will have a separate Designated Account.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	No results as the project is not effective yet.
IMPLEMENTATION CHALLENGES	Delays in signing the grant agreement.
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.
GEOGRAPHIC COVERAGE	Statewide project - governorates Al Quadsya, Najaf, Karbala, Diyala, Salah El Din, Nineveh, Al Muthanna and Dohuk.

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

P CODE	P177038
GOVERNMENT COUNTERPART	MoHE
READINESS & GOVERNMENT ENGAGEMENT	The proposal was developed jointly with the MoHE. A technical session was held on August 23, 2021 with the MoP and I3RF donors to discuss the proposal. The proposal was approved by MoP and I3RF Secretariat on August 29, 2021.
STATUS	Active: Grant agreement signed; the Iraq COVID-19 Vaccination Project became effective on December 16, 2021.
PROJECT DEVELOPMENT OBJECTIVE	To support the GoI in the acquisition and deployment of COVID-19 vaccines.
BRIEF PROJECT DESCRIPTION	The project will support the implementation of the Iraq COVID-19 Vaccination Project (IBRD US\$98 million). The grant funding will cover the costs under Sub-component 2.2 of the Project for establishing a mechanism for third party monitoring of COVID-19 vaccination (US\$2 million). The key objective of the grant financed activity is for the MoHE and WB to receive independent validation of the compliance of the deployment of the WB financed vaccines with the NVDP, WHO standards and WB requirements reflected in the legal agreements, Environmental and Social Management Framework and the Project Operation Manual, at (i) the key points in the supply chain and (ii) vaccination sites from the technical, environmental and social safeguards perspectives. The findings will be shared periodically with the MoHE and the WB. The work of the TPMA will therefore contribute to ensuring safe, effective, efficient, and equitable vaccine rollout and maximizing its population benefits. This will also contribute to the GoI's efforts to increase the demand for and build trust in COVID-19 vaccination among the population
TIMEFRAME	October 2021–June 2023
SECTOR CONTEXT	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 on the burden to be imposed on the health system. This risk is attributable to a high and growing burden of Non-Communicable Diseases, 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. Improved access to vaccination is needed to limit the spread of the disease and lessen the burden on the already weak health system. COVID-19 vaccination, along with improved diagnostics and therapeutics, is essential to protect lives and enable the country to reopen safely. The global economy will not recover fully until people feel they can live, socialize, work, and travel with confidence. Given the importance of limiting the spread of COVID-19 for both health and economic recovery, providing access to COVID-19 vaccines will be critical to accelerate economic and social recovery. The project activities will build on the ongoing World Bank's COVID-19 response and health sector support, as well as the support of other development partners.

COMPONENTS	<p>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 (US\$2 million).</p> <p>Component 1: COVID-19 Vaccines and Deployment (US\$97 million IBRD). The component will support the purchase of COVID-19 vaccines and related deployment activities.</p> <p>Component 2: Project Management and Monitoring and Evaluation (M&E): (i) Sub-component 2.1. Project Management and M&E (US\$1 million IBRD); and (ii) Sub-component 2.2. Third Party Monitoring (US\$2 million Trust Fund). A TPMA will be contracted by the MoHE using grant financing from I3RF. The TPMA will be responsible for monitoring compliance of the vaccination efforts with Iraq's NVDP and WHO standards, as well as World Bank technical, environmental, and social requirements. The ToR has been prepared and approved by the World Bank. The MoHE signed the TPM contract with the International Federation of Red Cross and Red Crescent Societies (IFRC) on December 16, 2021.</p>
FINANCING	US\$2 million from I3RF; US\$98 million from IBRD
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The grant will contribute towards both objectives of the I3RF Trust Fund and cover Pillars 3, 4 and 5 of the RDF (improving access to livelihoods and basic services). The grant from the I3RF is aligned with the ongoing I3RF health technical assistance (TA) which was approved and launched on September 16, 2020.
LINK TO THE GOI REFORM AGENDA	The activity is linked to Axis 4 of the White Paper: Providing the key services and rationalizing and directing social care, giving priority to the poor, and protecting them during and after the reform process. The aim is to meet the urgent needs of the population and provide the necessary protection for the vulnerable groups during the reform process and its remedial measures. 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 can also indirectly contribute towards Axis 1: Achieving sustainable financial stability with the aim of slowing down or stopping the financial bleeding and giving a longer opportunity to achieve the other structural reforms.
TYPE OF SUPPORT	The grant financing is aligned with the IBRD US\$98 million loan to the GoI to support the acquisition and deployment of COVID-19 vaccines
GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to 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% of registered COVID-19 cases in Iraq to date were among men. This, however, could be a result of men having better access to testing sites or decisions to test only the male member of the household when other members in the household are ill. Moreover, women have also been impacted by the discontinuity of essential services, including for maternal and sexual and reproductive health, and Gender Based Violence. The GBV Information Management System (GBVIMS) has recorded a marked rise in the number of reported incidents of violence in 2020. Prior to the pandemic, the prevalence of GBV was already high – 46 percent of currently married women were exposed to at least one form of spousal violence. COVID-19 vaccine uptake is lower among women in Iraq. The TPMA mechanism proposed for grant funding will monitor the deployment of WB financed vaccines to ensure fair and equitable access. The monitoring mechanism will use checklists, observations, interviews with vaccine recipients and health service providers to identify and report any gender bias in vaccine delivery and administration as well as suggest ways to improve vaccine uptake amongst women.

CLIMATE CHANGE & THE ENVIRONMENT	The project contributes to climate adaptation and mitigation. As part of the WB financed Iraq COVID-19 Vaccination Project, collaboration is envisioned with other WB Global Practices in defining, to the extent possible, sustainable, and high-efficient energy solutions to improve the deployment of vaccines. Technical assistance can be provided to ensure that energy efficiency standards for 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 NVDP, procurement plan, environmental and social management framework, 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.
COVID RESPONSE & IMPACT	The grant will support the TPMA of deployment of World Bank financed COVID-19 vaccines under the Iraq COVID-19 Vaccination Project.
IMPLEMENTATION ARRANGEMENTS	The MoHE is the implementing agency. A PMT has been established and is fully staffed.
KEY DELIVERABLES AND RESULTS FROM JANUARY TO DECEMBER 2021	The MoHE signed the contract with the TPMA on December 16, 2021, thus fulfilling the of effectiveness of the Iraq COVID-19 Vaccination Project. Work is currently underway to establish the TPM systems.
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
GEOGRAPHIC COVERAGE	National level.

COVID-19 Response and Health System Strengthening – BE activity

P CODE	P174641
GOVERNMENT COUNTERPART	MoHE
READINESS & GOVERNMENT ENGAGEMENT	The government is fully engaged in implementing the TA activities.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To strengthen the GoI's capacity to respond to the COVID-19 pandemic; and to develop innovative models to improve financing, access and quality of healthcare services.
BRIEF PROJECT DESCRIPTION	This programmatic ASA 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 therefore aims to help the GoI address (i) the urgent needs in pandemic response as well as (ii) the medium-and long-term health sector reform priorities. It complements ongoing GoI and development partners' efforts in both areas.
TIMEFRAME	2020–2023
SECTOR CONTEXT	Iraq's health system is faced with a wide range of challenges, including inequitable financing, underdeveloped health infrastructure and human resources for health, limited capacity of institutions, low quality of care and fragmented health sector governance. In response, the 2018–2022 Iraq National Vaccination Development Plan set the objective to build a fair and accountable health system through: (i) ensuring a health benefits package for the poor; (ii) reducing regional, income and gender discrepancies in access to health care; (iii) incentivizing primary care; (iv) addressing the financing and capacity constraints of the public hospital sector; and (v) addressing the rising burden of Non-Communicable Diseases, gender based violence (GBV), mental health problems, and re-emerging communicable diseases. COVID-19 has worsened the health system challenges of Iraq remains susceptible to a high risk of morbidity and mortality due to COVID-19, despite national response efforts. The pandemic's impacts stem directly from the burden of disease and indirectly from health service disruptions and economic losses. Together, they may lead to deteriorating population health outcomes and significant losses in human capital. Despite national response and vaccination efforts, the risk of subsequent COVID-19 waves remain, especially with the emergence of new SARS-COV-2 variants.

COMPONENTS	<p>1. COVID-19 Emergency Response: The World Bank team organizes this ASA component by the three key themes of COVID-19 response: “Prevent”, “Detect” and “Respond”. i) “Prevent”: Supporting development of an effective communication and behavior change strategy: This includes research and analytics through social media surveys on vaccine hesitancy and A/B testing to identify more effective messages for the communication campaign, and the development of a National Communication Strategy and Action Plan for COVID-19 vaccination, to be followed by selected technical assistance for its implementation. ii) “Detect”: Strengthening the public health response for disease detection: This includes supporting (a) an assessment of COVID-19 surveillance with recommendations for improvement; (b) an assessment of SARS-CoV-2 testing with recommendations for revision of the testing guidelines and; (c) an online platform for contact tracing and surveillance. iii) “Respond”: Building capacity for safe and effective COVID-19 case management: This includes supporting (a) an assessment patient flow in Iraq health facilities in the context of the pandemic and recommendations for improvement; (b) the assessment of infection prevention and control (IPC) in health facilities and recommendations for improvement and; iv) Other “just-in-time” Technical Assistance activities</p> <p>2. Improve Access to Quality Healthcare Services: i) Support the development of a medium- to long-term health care services master plan: This includes supporting, as appropriate, the development of a health care services master plan, which includes a road map/action plan to operationalize the national health strategy. It will follow a standard process, including situation analysis, strategic agenda formulation, and development of an operational roadmap aligned with Iraq’s health sector priorities. ii) Supporting the design and implementation of the Social Health Insurance (SHI) reforms: Proposed activities include TA for: (a) an operational roadmap for the implementation of SHI; (b) the development of the SHI benefits package (including primary health care services), considering the implementation capacity of the health system, cost-effectiveness of interventions, burden of disease, fiscal constraints, and GoI’s goals to improve health outcomes and financial protection; (c) costing of the SHI benefits package (including primary care services) and development of a pricing methodology. iii) Support the strengthening of primary healthcare service delivery: Activities in this category will be centered around strengthening primary health care services to increase access to quality health care. Proposed activities include: a Service Delivery Indicators survey to provide a comprehensive assessment of the country’s primary health care facilities, including infrastructure, available inputs, and quality of care. iv) Capacity building and knowledge exchange activities. A series of capacity building and knowledge exchange activities will be organized to support the GoI in the design and implementation of health reforms. This will include a series of webinars with government representatives and technical experts from other countries implementing similar reforms (e.g. Egypt, Indonesia, India, Ukraine). Potential topics include payment reforms (e.g. introduction of capitation payment for primary care), defining the benefits packages, and beneficiary enrollment. In addition, a tailored World Bank Flagship Course on Health Systems Reforms will be designed for Iraq, focusing on key topics of interest and drawing on relevant global experience. Depending on its timing, the course could be virtual, in-person, or a combination of both.</p>
FINANCING	I3RF: US\$5 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The ASA builds on and complements the health activities of the ongoing Bank-financed EODP which focuses on structural improvements for Iraq’s health facilities. With regard to COVID-19, the proposed activities complement ongoing support from other development partners including: the UN-consolidated plan and WHO ECHO proposal (aimed to enhance national capacities to prepare and respond to COVID-19 challenges); the UN Post-COVID-19 Recovery Strategy for Iraq (aimed at strengthening Iraq’s ability to respond to and reduce the impact of COVID-19); and the WHO Health Emergency Plan (aimed at strengthening Iraq’s ability to respond to all health emergencies and comply with International Health Regulations).
LINK TO GOI REFORM AGENDA	The activity is linked to Axis 4 of the White Paper: Providing the key services and rationalizing and directing social care, giving priority to the poor, and protecting them during and after the reform process. The aim is to meet the urgent needs of the population and provide the necessary protection for the vulnerable groups during the reform process and its remedial measures.
TYPE OF SUPPORT	Technical Assistance, Advisory Support, and Analytics

GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to improving laws and policies affecting women. The approach to gender issues under this ASA is as follows: (i) All health policies, strategies, action plans, technical guidelines, etc. to be developed with TA from this ASA will apply the gender filter to make sure the needs of Iraq's women and girls are adequately addressed; (ii) Any M&E framework developed with the support of the ASA will have gender disaggregated indicators and targets where applicable; (iii) All analytical work will have disaggregated analysis where applicable; (iv) The development and costing of a primary healthcare package of services will prioritize reproductive health, maternal and child health, mental health, psychosocial support, and gender-based violence interventions; (v) The assessment and redesign of patient flow at health facilities under Component 1 will help reduce disruptions caused by COVID-19 to essential services such as maternal and reproductive health; (vi) and for all capacity building activities supported by the ASA, gender balance will be ensured among participants.
CLIMATE CHANGE & THE ENVIRONMENT	N/A
COVID 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 clinical care for those in need. The support under this component would also increase the resilience of the health sector for any future potential pandemics.
IMPLEMENTATION ARRANGEMENTS	The project is managed by the HNP GP, in close collaboration with MoHE in Iraq. Regular bi-weekly meetings are held with the MoHE to discuss progress.

**KEY DELIVERABLES
& RESULTS
FROM JANUARY TO
DECEMBER 2021**

The ASA was approved and launched on September 16, 2020. Significant progress has been made with Component 1, which is an urgent priority given the unfolding pandemic, while Component 2 is now underway (initially delayed due to the focus on COVID-19 response).

1. Progress under Component 1 (COVID-19 Emergency Response)

1.1 “Prevent”: Supporting development of an effective communication and behavior change strategy: The focus of this activity is to assist the MOHE in its COVID-19 vaccine-related communication with both the public and the health workforce. With I3RF support, a Communication Action Plan for COVID-19 vaccination was developed and delivered to the MoHE. The World Bank has also completed (i) the first round of a Facebook survey to explore attitudes related to COVID-19 vaccination in Iraq, and (ii) an experimental online A/B testing to identify effective messages for communication campaign to increase vaccine acceptance. Results of the survey and the A/B testing have been shared with the government and other stakeholders.

1.2 “Detect”: Strengthening the public health response for COVID-19 case detection: This activity supports the GoI to strengthen COVID-19 case detection. Four reports were produced: (i) an assessment of Iraq’s COVID-19 surveillance systems; (ii) an assessment of COVID-19 testing in Iraq; (iii) a guidance document on COVID-19 testing strategies and algorithms; and (iv) an assessment of contact tracing in Iraq. Since delivery of these reports, 4 workshops on the use of different digital platforms for contact tracing (DHIS2, ComCare, OpenSRP, GO.DATA) have been conducted for MoHE. Two workshops on COVID-19 testing were also conducted for frontline laboratory technicians. Additional workshops on COVID-19 surveillance and testing are under development.

1.3 “Respond”: Building capacity for safe and effective COVID-19 case management: This activity focuses primarily on the management of active cases and includes TA to improve patient flow, as well as IPC in health facilities. The WB developed an IPC and patient flow assessment instrument and deployed it in nine Iraq health facilities; the information collected was combined with multisource information gathering, and reports on both IPC and patient flow were finalized and delivered to the MoHE. Dissemination workshops are now being developed.

1.4 Just-in time TA in COVID-19 response: The WB has been providing additional just-in-time technical assistance to support the COVID-19 response, with a focus on vaccination. This included support for: (i) country readiness assessment for COVID-19 vaccination using the integrated VIRAF/VIRAT 2.0 tool (completed); (ii) development of the National Deployment and Vaccination Plan (NDVP) in collaboration with UNICEF and other partners (completed); (iii) provision of technical inputs for the development of a digital client registry for COVID-19 vaccination (completed); (iv) development of a social media listening platform related to vaccination in Iraq using TalkWalker tool (completed); (v) technical review of Iraq’s National Strategy for Adverse Event Following Immunization or AEFI (completed); (vi) a country workshop on oxygen safety in healthcare settings (completed); (vii) engaging Iraq in 10 regional workshops on COVID-19 vaccination organized by the World Bank (completed). Each workshop focused on a strategic aspect of vaccination (cf. section 4.1.7 Reinforcing the Healthcare System in Light of the Pandemic for more details).

**IMPLEMENTATION
CHALLENGES**

The inability to conduct missions and have face-to-face interaction of the counterparts due to COVID-19 is a challenge. The team has been maximizing the use of teleconferences and information technology. In addition, given the focus on COVID-19 response, it was agreed with MoHE to temporarily put Component 2 activities on hold. Work under Component 2 has resumed; and the GoI has requested substantial TA support for the SHI reforms.

BENEFICIARIES

The entire population of Iraq, especially women, children, the poor and vulnerable are the primary beneficiaries. Furthermore, the GoI, particularly MOEH, will benefit from increased capacity to formulate and undertake evidence-based health reforms.

**GEOGRAPHIC
COVERAGE**

National level.

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	P176098
GOVERNMENT COUNTERPART	MoP, MoF, RMC at the PM Office
READINESS & GOVERNMENT ENGAGEMENT	The project was prepared in collaboration with Ministries of Planning, Finance, Trade and the Reform Management. Several meetings and written exchanges have contributed to the design of the components. Moreover, the project benefitted from several rounds of discussion with donor partners including those contributing to the I3RF (Canada, Germany, Sweden and UK) and other partners including the European Union and GIZ.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	To provide the GoI with analytical underpinnings and policy options for implementing reform priorities under the GoI White Paper to diversify the economy and put in place enablers for private sector led growth and job creation.
BRIEF PROJECT DESCRIPTION	The project provides policy options and implement 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 RMC for 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. 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 Reform Management Cell, the Prime Minister's Office, central ministries (especially MoF), MoP, and relevant sectoral ministries like the Ministry of Trade. These activities will provide an opportunity to take forward previous analytical underpinnings on Iraq development model forward into implementation phase as well as deepening understanding in areas in which strategic analysis has not been concluded.
TIMEFRAME	January 2023

SECTOR CONTEXT	<p>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 (MOU) signed between the World Bank Group and the Government of Iraq in October 2019 to tackle those issues. The MOU 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 analytical and advisory (ASA) program addresses this need.</p>
COMPONENTS	<p>Component 1: On-demand policy support for the High Reform Council and Reform Management Cell for GoI White Paper implementation.</p> <p>Component 2: Policy support in the areas of macro-economic sustainability and growth.</p> <p>Component 3: Policy dialogue on modernizing Iraq's trade and foreign investment policies.</p>
FINANCING	I3RF: US\$1.8 million.
LINKAGES TO OTHER PROJECTS/ INITIATIVES	<p>This programmatic project builds on the findings of the previous analytical program on diversification funded by the I3RF, mainly the work that culminated in the publication of the Iraq Country Economic Memorandum (P141781), and which underpinned the GoI White Paper. As such, the proposed activities are a continuation of this policy program with a focus on implementation of the White Paper reforms. Implementation which will require direct advisory services, capacity building and further analytics in areas in which policy dialogue is absent. The proposed activities will complement ongoing policy engagements with Iraq; whether it is under I3RF activities like the Financial Sector Reforms and Enabling Environment for Small and Growing Businesses (clusters II.2 and II.3 respectively of the I3RF work plan), and other active policy support through Donors like the GIZ macroeconomic policy support project (notably in the areas of domestic revenue mobilization and economic modeling), GIZ support on customs reforms, and the ITC and UNCTAD work on Trade and WTO accession.</p>
LINK TO GOI REFORM AGENDA	<p>In February 2021, the GoI formulated a detailed reform matrix and have devised a reform implementation governance framework in which it has created a High Reform Committee (HRC) for decision making, along with an executive body, the RMC, that will coordinate reform actions with line ministries. The activities proposed in this ASA program will deliver the necessary technical underpinnings and capacity building for the implementation and operationalization of reforms from the WP's reform matrix. While HRC and RMC structures are still being populated with experts and staff, the program will start working on priority reform initiatives currently being led by line ministries as a first step, and will gradually deepen those reforms working closely with the RMC.</p>
TYPE OF SUPPORT	Technical Assistance, Advisory Support, Analytics and other types of support (embedded experts and purchase of software)
GENDER EQUALITY & WOMEN EMPOWERMENT	<p>The project contributes to improving laws and policies affecting women. 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.</p>

CLIMATE CHANGE & THE ENVIRONMENT	Climate change will also be considered a cross-cutting issue in the components of this ASA. More prominently, it will figure in the support provided to MoP for capacity building on modeling and green growth policies as they prepare their national development plan. The objective is to integrate climate change mitigation and adaptation policies within this plan.
COVID RESPONSE & IMPACT	N/A
IMPLEMENTATION ARRANGEMENTS	The project is a multi-disciplinary, multi-sectoral program involving several Global Practices (GPs), and a Bank-executed program coordinated by the MTIGP. MoP, MoF, Ministry of Trade and the RMC are the main government counterparts.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	The main deliverables within the suggested period are: (i) The creation of a Dashboard for reforms coordination; (ii) The provision of training workshops on M&E; and (iii) The provision of a tariff reform advisory.
IMPLEMENTATION CHALLENGES	Project implementation has just started without any major challenges. Governmental changes may impact implementation the team is however working closely with line ministries to mitigate any possible risks.
BENEFICIARIES	MoP, MoF, Ministry of Trade and the RMC at the Prime Minister's Office.
GEOGRAPHIC COVERAGE	National level.

2.2 FINANCIAL SECTOR REFORMS

Iraq Financial Sector – BE activity

P CODE	P171615
GOVERNMENT COUNTERPART	Central Bank of Iraq, Economic Reform Unit (ERU) at the Prime Minister's Office, RMC, Financial Intelligence Unit (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 work plan was developed in close collaboration with the CBI with inputs from MoF and the entities listed above. The team is working with a dedicated team at CBI comprising the GMs of Banking Supervision, Payment, Infrastructure and the Advisor Governor Office. GoI counterparts were kept updated through regular briefings and presentations. Presentations were made to the Minister of Finance, Central Bank Governor, Minister of Planning, Head of RMC and to other financial sector stakeholders including the Iraqi League of Private Banks, Payment System Providers and the Iraqi British Business Association among others. The team has also kept I3RF donors updated through the 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	Q1 2020–Q4 2023
SECTOR CONTEXT	The banking system continues to be dominated by under-capitalized and under-provisioned state-owned banks. The overarching role of the state in the banking sector and its use of directed lending schemes have resulted in large public-sector arrears on state-owned bank balance sheets, which, coupled with understated non-performing loans have led to impaired capitalization. The non-bank financial sector is at an early stage of development, with nascent capital markets and absence of customary non-bank financial institutions such as leasing companies. Access to finance remains low as the microfinance sector is held back by regulatory deficiencies and funding constraints. Lack of regulatory infrastructure for secure transactions, credit reporting, and insolvency increase informational asymmetry and lending risks for banks. Current housing finance mechanisms rely almost exclusively on highly subsidized lending by state-owned institutions, are costly and cannot meet the scale needed to cope with the growing housing deficits, while crowding out potential private sector solutions. Progress was made in 2021, spearheaded by the CBI in proceeding towards implementing a number of key reforms as recommended by the WB team, including new corporate governance bylaws for Rasheed and Rafidain (R&R); a dedicated SOB unit has been established at CBI and the MoF has agreed to the conduct of an Asset Quality Review (AQR) of the two largest banks. It is critical that these reforms are fully implemented to ensure momentum is maintained towards the expeditious reform of the SOB enabling them to play their expected role in the economy.
COMPONENTS	<p>Pillar 1: Strengthening the Foundation for Financial Sector Development: (i) Support the implementation of recommendations of the Financial Sector Assessment Program Development Module (FSAP DM), expected to be focused on the reform strategy for state-owned banks and the strengthening of banking sector licensing, regulation and supervision; (ii) National Payments System Strengthening project; and (iii) National Money Laundering/Terrorist Financing Risk Assessment.</p> <p>Pillar 2: Developing Specialized Finance: (i) Microfinance Sector Development; and (ii) Housing Finance Advisory.</p>
FINANCING	I3RF: US\$2.4 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The activities are aligned and provide operational support and Technical Assistance to ongoing WB projects including SFD, COVID-19 Adaptation and Recovery Pilot (CARP) supporting the activities under sub-component 1.
LINK TO GOI REFORM AGENDA	Financial Regulatory Reform, Banking Performance, Electronic Banking Services and Government Banks
TYPE OF SUPPORT	Technical Assistance, Advisory Support and Analytics

GENDER EQUALITY & WOMEN EMPOWERMENT	The project contributes to economic empowerment of women and girls, and 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 GoI 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.
CLIMATE CHANGE & THE ENVIRONMENT	The project takes climate considerations in its implementation. Given the current state and limited credit intermediation capacity of the Iraqi financial sector and nascent capital markets, financing/funding of climate adaptation and mitigation will have to be developed through innovative "Green" financing solutions including a Green Bonds Framework. Financing is a cross cutting solution and a comprehensive assessment of climate impacts on Iraq's financial sector is to be conducted (sectoral assessments; lending capacity; climate stress-testing, etc). The financial sector will need to play a leading role in scaling up green initiatives, de-risking projects for investors, and optimizing funding costs.
COVID RESPONSE & IMPACT	The team has developed an IPF Pilot Operation Supporting Firms Resilience, Access to Finance and Growth in Iraq (CARP) which has been approved and is now in the process of achieving effectiveness. The project will support the strengthening of MSME finance in Iraq, with a particular focus on providing liquidity support and technical assistance to microfinance institutions (MFIs) affected by the COVID-19 crisis and strengthening the legal and regulatory framework governing MSME finance in Iraq by assisting the CBI to establish a NBFI unit.
IMPLEMENTATION ARRANGEMENTS	The grant is being managed on the WB side by the FCI GP, in collaboration with other relevant GPs, including SPJ; for GoI side the primary counterparts are CBI in collaboration with line ministries as noted under governmental counterparts above.

**KEY DELIVERABLES
& RESULTS
FROM JANUARY TO
DECEMBER 2021**

The below is pursuant to the technical assistance which included inputs on banking sector reforms to the White Paper, recommendations on Corporate Governance Reforms in State Owned Banks, recommendations and a detailed roadmap on Reform and Restructuring of SOBs, strengthening of the National Payments ecosystem and advisory support on Financial Integrity through the National Risk Assessment on AML/CFT. The continuing dependence of a majority of Private Banks on a single revenue source (FX arbitrage) is a cause for concern and a potential financial stability risk as these banks lack the capital to invest in systems, operations and human capital to offer a broad range of products and services. CBI is aware of these risks and is considering appropriate prudential measures to mitigate them.

Pillar I: Strengthening the Foundation for Financial Sector Development:

1. Support the implementation of recommendations of the FSAP DM, expected to be focused on the reform strategy for state-owned banks and the strengthening of banking sector licensing, regulation and supervision. **Key Deliverables:** To be defined post-FSAP DM issuance. **Results:** (i) The team maintained dialogue with CBI, MoF, and the Higher Committee for State Bank Reform as a follow up to the recommendations presented in its State-Owned Bank Reform and Restructuring Roadmap for the two largest Banks (Rasheed and Rafidain) and its Technical Note on the Corporate Governance Reforms of State-Owned Banks; (ii) Progress has been made in 2021 spearheaded by the CBI in proceeding towards implementing a number of key reforms as recommended by the WB including drafting of new corporate governance bylaws for Rasheed and Rafidain (R&R); a dedicated SOB unit has been established at CBI and the MoF has agreed to the conduct of an Asset Quality Review (AQR) of the two largest banks; (iii) The team conducted virtual meetings with key stakeholders involved in the restructuring of state-owned financial institutions. At the request of CBI and MoF, the WB developed and presented to the national authorities a ToR for an independent Assets Quality Review of the two largest state-owned financial institutions.

2. National Payments System Strengthening project. Key Deliverables: (i) A series of workshops/policy dialogues; (ii) Increased capacity of CBI to implement its oversight mandate over NPS; (iii) Increased capacity of CBI in fostering development of Fintech in Iraq; (iv) TA support for 3 rounds of Business Continuity Plan testing and addressing gaps identified by these BCP tests; (v) TA to identify investment needs and to be complemented by public and private investments on the part of the GoI and banking sector. This TA would provide recommendations on the investments needed to realize the reforms. **Results:** (i) Delivered two workshops and the draft implementation plan for digital onboarding and electronic Know-Your-Customer (e-KYC) in 2020, further work is pending the approval of the cabinet's e-Government Committee. (ii) In 2021, the team has produced the following analytical work: (1) a set of case studies on the regulation and oversight of e-money providers (presented at a meeting with the CBI senior advisor on July 12, 2021), (2) mapping of risks affecting the national payment system, as inputs to the revised business continuity plan (to be shared and presented in December 2021), (3) guidance on relaunching the National Payments Council (to be shared and presented in October 2021), (4) methodology to assess the international remittance ecosystem according to international standards (to be presented in November 2021), and (5) proposals to modernize the CBI payment system oversight framework (to be presented in December 2021). In addition, in preparation for a further four workshops scheduled for November–December 2021, the World Bank team has prepared introductory presentations highlighting the most important areas for discussion and outlining the work plan for 2021–2023.

2. Housing Finance Advisory. Key Deliverables: (i) Diagnostic report on housing finance market and legal and regulatory framework; and (ii) Design of products/pilots for affordable mortgage, microfinance, and subsidy schemes based on the diagnostic. **Results:** (i) The team is in the final stages of drafting a policy note to support the GoI to: (1) develop sustainable housing finance solutions in the medium- to long-term that address the diverse needs of the population segment who do not have access to adequate housing, and (2) share experiences from other countries on housing finance solutions in the context of reconstruction and developing sustainable long term financing solutions. This note is expected to be issued by the end of November 2021. The note will be a starting point for discussions with counterparts about structural reforms in the housing finance sector, and institutional reform in organizations such as the Real Estate Bank of Iraq or the Housing Fund; (ii) The team prepared a specific background paper on housing finance under the FSAP DM which made use of ongoing work and analysis funded under this activity; and (ii) The team plans to disseminate the recommendations of the Technical Note through a series of virtual/onsite events.

	<p>3. National ML/TF Risk Assessment. Key Deliverables: (i) Delivery of pre-NRA Orientation Seminar; (ii) Delivery of 3-day NRA Training Workshop; (iii) Delivery of 1–2 interim advisory support missions; (iv) Conducting review and providing written inputs on eight draft NRA Chapter Reports; (v) Conducting review and providing written inputs on draft (full/compiled) NRA Draft Report; (vi) Conducting review and providing inputs on draft NRA Action Plan; and (vii) Delivery of final (3-day) NRA Workshop. Results: (i) 2020: The team delivered initial NRA Training programs to eight NRA Working Groups of Iraqi officials in 2020 (suspension of mission travel due to deterioration of security conditions and onset of COVID-19 led to cancellation of in person pre-NRA orientation workshop and the 3-day training workshops); (ii) 2021: The WBG delivered series of eight refresher NRA Training Programs to the eight NRA Working Groups: (1) ML Threats; (2) National ML Vulnerabilities; (3) Banking Sector; (4) Insurance Sector; (5) Securities/Cap Mkts Sector; (6) Other Financial Institutions Sectors; (7) Designated Non-Financial Businesses/Professions (DNFBPs); and (8) TF Risks; (iii) The team reviewed and provided comments to the FIU in preparation of its responses to the EU assessment; (iv) The team is in continuous engagement with the FIU team/NRA WG who are in process of collecting and analyzing data/info from various sectors to complete the respective ML and TF threat and vulnerability analysis; (v) WBG outputs: delivery of training and mentoring programs by VC; and (vi) Iraqi officials: working to produce NRA Chapter Reports summarizing ML or TF threats or vulnerabilities (respectively) relating to each sector. Data collection continues to pose significant challenges to the NRA WG as they work to complete their respective reports.</p> <p>Pillar II: Developing Specialized Finance:</p> <p>1. Microfinance Sector Development. Key Deliverables: (i) Delivery of a microfinance pilot under ESSRP; (ii) Design and implementation of a sustainable microfinance program at MOLSA; (iii) Institutional and program upgrading at MOLSA; (iv) Operationalization of SFD in line with international best practices with regards to apex institution; (v) A comprehensive economic survey of targeted regions to highlight regional advantages in defining jobs and projects; (vi) A feasibility study to establish a “one-stop shop” for provision of nonfinancial services in SFD; (vii) A number of training programs to build SFD team capacity on micro-lending and SMEs; (viii) Criteria and processes to identify and select MFIs are developed; (ix) A Monitoring and Evaluation (M&E) system developed at SFD; and (x) Microfinance regulations developed. Results: (i) The Team provided extensive TA (Feasibility study, New Products, Process flows, TORs, Ops Manuals, Capacity building etc) to MOLSA to establish a pilot microfinance unit as part of the ESSRP. Unfortunately, the project has been suspended since January 2021 and is now cancelled; (ii) The Team provided extensive TA (OPS Manual, Process Flows, TORs for key staff, Capacity Building, KPIs, Policies and Procedures, etc.) to the MoP to set up a microfinance unit under the Social Fund for Development (SFD). Unfortunately, the project has been delayed as the SFD Law is yet to be approved in Parliament and its approval in the near term appears unlikely and the planned activities in support of the establishment of MF unit are unlikely to proceed; (ii) The MoP informed the WB of the intention to drop Component 2 (TA to set up the SFD MF unit) entirely and reallocate its funds to Component 1. The motivation to drop Component 2 is, in the view of Government, premised on feedback from the State Council, that the policy lead functions for microfinance are beyond the purview of the MoP’s mandate. Thus, to establish an autonomous institution as envisaged at the start of the project is unfeasible, and the ministry incapable of making substantive progress in implementation of the component; (iv) The WB team participated in a Virtual Mission and in mission meetings including with the Assistant MoP, and prepared a detailed note on the salient features of Component 2; (v) In view of the aforementioned and in response to the impact of the COVID-19 pandemic on the MSME sector, the team shifted the activity of supporting 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 to establish a Non-Banking Financial Institutions (NBFI) Unit and support to draft a Law/Regulation on NBFIs to assist these firms (including MFI) to access finance and improve financial inclusion.</p>
IMPLEMENTATION CHALLENGES	Limited activities due to the continuing impact of COVID-19; Suspension/cancellation of EODP/ESSRP Lending Operation; Ongoing discussions with MoP on the status of SFD under Component 2. These developments 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 which has necessitated a reallocation of resources from the Microfinance Sector Development. Additional challenges were related to discussions with counterparts (CBI) to further refine the project scope, resulting in a revised work plan; difficulties with data collection by counterparts (FIU) leading to delays in completion of progress reports. The continuing suspension of mission travel has led to cancellation of face to face meetings and workshops which resulted in lower disbursements.
BENEFICIARIES	Direct beneficiaries: Government counterparts; Indirect beneficiaries: Iraq’s population at large.
GEOGRAPHIC COVERAGE	National level.

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

P CODE	P166640
GOVERNMENT COUNTERPART	MoF
READINESS & GOVERNMENT ENGAGEMENT	The team is engaging actively with the RMC in the Prime Minister's office, the Debt Management Department in MoF and the private office of the Minister of Finance to initiate and provide TA. It is also actively engaging with the newly established Federal Civil Service Commission.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	Strengthening fiscal sustainability and transparency and improving intergovernmental fiscal relations in Iraq.
BRIEF PROJECT DESCRIPTION	Planned activities will complement ongoing WB projects and help prepare further WB engagement on 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 newly-appointed GoI is confronted with a dire fiscal crisis as a result of the steep drop in oil prices. Under the current fiscal crisis, it needs to implement structural economic governance reforms while addressing urgent fiscal constraints (a shrinking fiscal space, bloated recurrent expenditure, fast-growing financing needs). The shrinking of oil revenues to less than the wage and pension bill (which amounted to half of expenditure at federal level in 2019) has jeopardized further fiscal sustainability in the medium term. Adequate response to the crisis calls for strengthened fiscal crisis management capacity and the new government has established an Economic Crisis Committee (ECC) to be headed by the Prime Minister or the Minister of Finance on deputation, and which is attended by the ministers of Finance, Planning and Foreign Affairs, the Secretary General of the Council of Minister's Secretariat (COMSEC), the Governor of the Central Bank, the Head of COMSEC Legal Department and the Prime Minister's advisers. The ECC will focus on five main issues: (1) Accounting reforms and State Liquidity Management; (2) Increasing State Revenues; (3) Economic revitalization; (4) Financial and Banking Reforms; (5) International Financial relationships.
COMPONENTS	<p>Component 1: Technical Assistance</p> <p>Component 2: Analytical Work (Political Economy Analysis; Institutional Assessments)</p> <p>Main planned activities: (i) Capacity building for fiscal crisis management; (ii) Support to the reform of fiscal federalism; (iii) Strengthening of debt management; (iv) Revenue mobilization; and (v) Fiscal transparency.</p>
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 an EU-funded project on Public Financial Management (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. It will contribute to WB overall support and Government request for its assistance as formalized in the MoU signed between the GoI and the WBG in October 2019 to cooperate and further their engagement on economic governance reforms and fiscal sustainability.
LINK TO GOI REFORM AGENDA	The activities relate directly to the implementation of the White paper as it concerns debt management, revenue mobilization, fiscal federalism and 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. The project will complement the two WB PFM projects on citizen engagement and gender equality by promoting social demand for public participation in budget processes and policy dialogue on gender budgeting (a provision of the recently enacted PFM law). By promoting revenue mobilization and fiscal equalization, the project should also help the government mitigate spatial inequalities and finance anti-poverty interventions.
CLIMATE CHANGE & THE ENVIRONMENT	N/A
COVID RESPONSE & IMPACT	The COVID-19 crisis prevents direct interaction with Iraqi stakeholders, including in neighboring countries. Accordingly, all activities will be conducted remotely in partnership with local think tanks.
IMPLEMENTATION ARRANGEMENTS	At the World Bank, the activity is co-led by the Governance GP and MTI.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	<p>The project has already improved public debt reporting and the following activities are ongoing: (i) Digital Government Readiness Assessment (DGRA): Consultant hired and starting assessment in October 2021; (ii) Technical Assistance on Debt Management: assisting the public debt department to use DMFAS software for registration and management of the public debt of the GoI; (iii) Technical Assistance on Tax Administration: policy dialogue on planning for an Integrated Tax Administration System (ITAS); (iv) Technical Assistance to monitor implementation of the White paper on economic reforms: workshop on monitoring framework and tools (dashboard); and (v) Technical Assistance to the Federal Civil Service Commission: exchange of experience with sister institutions; preparation of assistance to draft secondary legislation on civil service.</p> <p>Key analytical deliverables in 2021 include: (i) the Public debt management guidance note, (ii) Tax administration reform policy note, (iii) The oil revenue management policy note and (iv) The policy note on recruitment practices</p>
IMPLEMENTATION CHALLENGES	Changes in government may impact implementation.
BENEFICIARIES	The activity will inform federal-level policies and benefit central and decentralized fiscal institutions with respect to revenue mobilization and fiscal transfers.
GEOGRAPHIC COVERAGE	National level.

2.3 ENABLING ENVIRONMENT FOR SMALL AND GROWING BUSINESSES

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

P CODE	P174273
GOVERNMENT COUNTERPART	MoF, CBI
READINESS & GOVERNMENT ENGAGEMENT	The project has been endorsed by the I3RF Steering Committee and approved by the WBG Regional Vice President on June 25th, 2021. The project Grant Agreement was signed by MoF on October 1, 2021, and the project team is working with the MoF to obtain a legal opinion from the legal department at the Council of Ministers in order for the project to be declared effective. The project team is expeditiously finalizing preparations with the project implementation agency (PIA), GIZ. Preparatory activities include diagnostics activities, conducting a global review of MFI policies and regulations, finalizing program design for both project components, drafting the project operations manual, and ongoing engagement with public and private sector stakeholders. The WBG has been working closely with the CBI on preparations of Component 1 activities, described in more detail below. Component 2 activities largely target and benefit private sector actors but are closely linked to Iraq's business environment reforms agenda surfaced under a sister project, the Enabling Environment for the Creation and Growth of Innovative Small and Medium Enterprises (P171175) ASA.
STATUS	Pipeline
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 CARP project 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 will 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.
TIMEFRAME	October 2021–October 2023
SECTOR CONTEXT	Prior to the pandemic, economic diversification and improving private sector competitiveness were identified as key priority areas by I3RF donors and the GoI. Iraq has unrealized SME potential. Most Iraqi MSMEs are informal and concentrated in low productivity sectors. Despite a challenging business environment, a few high-growth firms (HGFs) are emerging. The COVID-19 pandemic has exacerbated structural challenges in Iraq's business environment. Microenterprises suffer disproportionately from low financial intermediation and are offered limited financial products. The microfinance sector is one of the relatively smallest and least developed in the Arab region. MFIs have faced various challenges due to the economic slowdown driven by conflict and political unrest over the past two decades and have more recently also been affected by the pandemic. Iraq's nascent entrepreneurship ecosystem requires systematic support for intermediary organizations, or business enablers, and other business development services (BDS) providers including business coaches, business consultancy firms, and technical advisers.

COMPONENTS	<p>Component 1: Financial Inclusion: (i) Sub-Component 1.1: Provision of liquidity support to most affected micro and small business owners through MFIs; and (ii) Sub-Component 1.2: Strengthening the legal and institutional framework for MSME finance in Iraq.</p> <p>Component 2: SME-Support Measures: (i) Sub-Component 2.1: Enhancing SME capabilities and resilience through blended learning, vouchers and matching grants; and (ii) Sub-Component 2.2: Catalyzing private investment in SGBs through ecosystem support grants.</p> <p>Component 3: Project Management: (i) As outlined in the Project Appraisal Document, the CARP project will finance project management costs over the project's lifecycle. In addition to drafting TORs for additional PIA staff and consultants, the WBG team is providing support to draft and finalize the POM. One comprehensive POM will be drafted, covering all project activities.</p> <p>Component 4: Contingent Emergency Response Component: Currently not applicable.</p>
FINANCING	I3RF: US\$15 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	This project also leverages synergies with We-Fi Iraq. While this activity is funded by the Iraq ASA, Enabling Environment for the Creation and Growth of Innovative Small and Medium Enterprises (P171175), it will align with activities conducted under sub-component 2. We-Fi Iraq will provide customized advisory support to Iraqi business enablers on their gender-lens programming. It will also support promising women-led SGBs on the capital-raising process. This activity leverages implementation lessons from We-Fi Pakistan and is a continuation of the Mashreq Gender Facility's (MGF) gender-lens programming activities completed in June–July 2021. This project also leverages synergies with the ongoing Iraq ASA, Financial Sector Reforms Cluster (P171615), which has supported the activities under sub-component 1 to provide immediate liquidity support and technical assistance to microfinance institutions (MFIs) affected by the COVID-19 crisis on the one hand and strengthen the legal and regulatory framework governing MSME finance in Iraq on the other.
LINK TO GOI REFORM AGENDA	This project links to the GoI's reform agenda on Economic Diversification, Private Sector Development, Business Environment Reforms, Financial Inclusion and Financial Regulatory Reform.
TYPE OF SUPPORT	Technical Assistance, Advisory Support, Analytics.
GENDER EQUALITY & WOMEN EMPOWERMENT	Contributes to economic empowerment of women and girls, improving data on gender and improving laws and policies affecting women. There is very little information on women's labor force participation in Iraq except that the private sector has poor gender balance. 99 percent of MSMEs are informal but it's unclear what percentage of these are women-owned. Additionally, women-owned, and women-operated businesses are scarce—in 2011, only 7 percent of firms had a female owner while only 2 percent had a female manager. We-Fi Iraq takes a two-pronged approach to advancing women's economic participation. First, it targets business enablers (such as the Station, FiveOne Labs, Innovest) and provides technical assistance on how to augment their gender-lens programming and outreach to women-led firms. Second, it also provides coaching, mentorship, and access to financial networks for women-led SGBs during the capital raising process.
CLIMATE CHANGE & THE ENVIRONMENT	This project will identify key sectors for MSME and SGB support. The team will make additional efforts to support climate, or green entrepreneurs.
COVID RESPONSE & IMPACT	This project will provide much needed financial and technical support to MSMEs, small and growing businesses (SGBs), and key providers (such as MFI institutions, business enablers). During COVID-19, MSMEs and SGBs are less likely to have financial liquidity to weather business shocks.
IMPLEMENTATION ARRANGEMENTS	The WBG has identified GIZ as the implementing agency. This project is led by the Finance, Competitiveness, and Innovation GP with cross-support from CGAP.

KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	N/A – the project was recently signed. The project expects to benefit 1,360 MSMEs of which 30 percent are women-led. The project also expects to improve the operations of four financial intermediaries and mobilize US\$4,350,000 of private capital.
IMPLEMENTATION CHALLENGES	The project was endorsed by the I3RF Steering Committee and approved by the Regional Vice President on June 25th, 2021. However, the signing of the Grant Agreement with the WB and the Implementation Agreement between the Ministry of Finance and GIZ was signed on October 1, 2021. Given this delay, the project team has focused on preparatory activities including identifying additional resources for the implementing agency.
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.
GEOGRAPHIC COVERAGE	National level.

Enabling Environment for Small and Growing Businesses – BE activity

P CODE	P171175
GOVERNMENT COUNTERPART	The Economic Reform Unit (ERU) at the Prime Minister's Office; Higher Steering Committee for Improving the Business Environment in Iraq at the Council of Ministers; CBI.
READINESS & GOVERNMENT ENGAGEMENT	A new Higher Committee to lead the implementation of the National Agenda for Improving the Business Environment in Iraq (former committee was dissolved last year) was established on June 1st, 2021, by the Secretary General of the Council of Ministers. This inter-ministerial body reports directly to his Excellency the Prime Minister and is composed of officials from government entities with roles in the business environment. The Committee's mandate is to work on proposals for legislative instruments, new policies, and development of new systems to improve the business environment. The main beneficiaries are agencies involved in the business environment reform agenda such as the Ministry of Planning, Ministry of Trade, Ministry of Justice, Central Bank of Iraq, Amanat Baghdad, private sector and indirect beneficiaries such as innovative SMEs, ecosystem builders and SME-focused funds. The MoF and CBI are also project counterparts for a sister project, COVID-19 Adaptation and Recovery Pilot: Supporting Firms Resilience, Access to Finance and Growth in Iraq (174273).
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	This project will provide (i) advisory support for horizontal improvements in the overall business environment, and (ii) advisory support to develop a policy agenda around supporting small and growing enterprises in Iraq, and technical assistance on the implementation of selected interventions based on this policy agenda.

TIMEFRAME	December 2019–June 2022
SECTOR CONTEXT	Iraq's economic condition was gradually improving following the deep economic strains of the last three years. However, the current unrest and COVID-19 pandemic highlights the continued fragility of the country and the imperative to improve economic opportunities, particularly for youth. Uncertainty and risks for businesses remain high, particularly for small and new enterprises. While this poses additional challenges for small businesses, a weak and unpredictable business environment, lack of pro-growth policies, poor government services, limited capacity of firms, and lack of support for small businesses and entrepreneurs are perennial, and hamper private sector development in Iraq.
COMPONENTS	<p>Component 1: Business Environment Reforms: (i) In April 2021, through 10 virtual workshops organized by the Prime Minister's Office with over 25 different government agencies, the project identified reform priorities and drafted reform action plans (National Agenda for Improving the Business Environment in Iraq), taking into account where government intervention is most likely to achieve results, and prepared associated reform action plans in the priority topics, (ii) Started the support to the Central Bank of Iraq to further improve the credit information system within the Central Bank and/or through a private bureau. To that effect, the following is work in progress: Analyze the gaps in collecting credit information in the credit registry held by the Central Bank, including the CBS system; Increase data coverage (currently at 1.3 percent), defined as the number of individuals and firms listed in a credit registry or a newly-created credit bureau's database; Create a Working Group comprised of members of the Central Bank, Ministry of Justice, Baghdad Chamber of Commerce (Bank Association) to perform the tasks below.</p> <p>Component 2: C-JET Iraq Investment Protection and Retention: Investors' Grievances and Investors' Dispute Settlement: (i) To support the finalization of a modern Arbitration Law, and the related institutional and implementation arrangements, based on best international standards and the UNCITRAL guidelines, including full and effective implementation; (ii) To support implementation of the already approved law for Iraq's accession to the New York Convention to ensure investor confidence regarding recognizing and enforcing foreign arbitral awards (iii) To build local capacity on arbitration in the country to effectively implement the New York Convention and the new Arbitration Law.</p> <p>Component 3: Policy Priorities to Support Firm Growth: (i) The team provides Technical Assistant to select SME funds targeting Iraqi firms, (ii) Completed the Policy Note: Iraq Private Sector Fund and presented it to the Ministry of Finance in August 2021, (iii) MSME Financing Facility. The funding facility will have three main components – equity financing (Indirect Fund of Funds facility and Direct Co-investment facility), Line of Credit facility for MSME financing intermediaries, and pre-investment and ecosystem support grants.</p> <p>Component 4: Refugee Investment and Matchmaking Platform's (RIMP): (i) The Refugee Investment and Matchmaking Platform (RIMP) Iraq operation is piloted under pillar II of the Enabling Environment for the Creation and Growth of Innovative SMEs project (P171175). RIMP is building on lessons learned from its project that was successfully implemented in Jordan (2018–2021) to extend support to Small and Medium-Sized Enterprises (SMEs) in Iraq to promote backward-forward linkages to support SMEs and grow exports. The proposed scope will target SMEs in the Kurdistan region in northern Iraq in which there is a high concentration of refugees and IDPs. RIMP's project will be implemented in three phases over 3 years.</p> <p>Component 5: We-Fi Activities: this activity is not funded by the I3RF; however, it is a critical component of this project and the CARP project. We-Fi Iraq will provide customized advisory support to Iraqi business enablers with gender-lens programming, and promising women-led SGBs on becoming investment reading and engage in the capital-raising process.</p>
FINANCING	I3RF: US\$2.2 million; We-Fi financing of US\$400,000; C-JET financing US\$200,000
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 the Social Protection and Jobs, MTI, Governance, Digital Development, and Education GPs. The project also leverages synergies with We-Fi Iraq. While We-Fi activities are not directly funded by the I3RF, it is considered a critical component of this project and is described in the activities above.

LINK TO GOI REFORM AGENDA	The project contributed to drafting of the Private Sector Development Chapter in the Government of Iraq White Paper. It also links to the GoI's reform agenda on: Economic Diversification, Private Sector Development, Business Environment Reforms, Financial Inclusion, and Financial Regulatory Reform.
TYPE OF SUPPORT	Technical Assistance, Advisory Support, Analytics and Investors' Grievances and Investors' Dispute Settlement.
GENDER EQUALITY & WOMEN EMPOWERMENT	This project contributes to the economic empowerment of women and girls, improving data on gender, and improving laws and policies affecting women. There is very little information on women's labor force participation in Iraq except that the private sector has poor gender balance. Ninety-nine percent of MSMEs are informal but it's unclear what percentage of these MSMEs are women-owned. Additionally, women-owned and women-operated businesses are scarce—in 2011, only 7 percent of firms had a female owner while only 2 percent had a female manager at the top. We-Fi Iraq takes a two-pronged approach to advancing women's economic participation. First, it targets business enablers (such as the Station, FiveOne Labs, Innovest) and provides bespoke technical assistance on how to augment their gender lens programming and outreach to women-led firms. Second, it also provides coaching, mentorship, and access to financial networks for women-led SGBs during the capital raising process.
CLIMATE CHANGE & THE ENVIRONMENT	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.
COVID RESPONSE & IMPACT	While this project will not respond directly to COVID-19, it will identify interventions applicable to the current context. During COVID-19, MSMEs and SGBs are less likely to have financial liquidity to weather business shocks, and globally, the public sector has played a key role to minimize negative shocks for MSMEs and large businesses.
IMPLEMENTATION ARRANGEMENTS	This project is led by the FCI GP with cross-support from other FCI teams including the Investment Climate team, the MTI GP, and the IFC.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	<p>The work under this project throughout the past year led to the adoption of the Private Sector Chapter in the White Paper which includes the National Reform Agenda for improving the Business Environment in Iraq. The team also completed the policy paper for small and growing businesses in Iraq. Two dissemination events, attended by the public and private sectors, for the National Agenda for Improving the Business Environment in Iraq were delivered.</p> <p>Pipeline deliverables include: Design and concept for a MSME Financing Facility; Disbursement of ecosystem support grants resulting in mobilization of private investment in SGBs; Enhancing SME capabilities and resilience through blended learning, vouchers and matching grants – this will be scaled up under the CARP project; and Implementation of investment readiness program for women-led firms.</p>
IMPLEMENTATION CHALLENGES	Travel restrictions to Baghdad remain a challenge.
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.
GEOGRAPHIC COVERAGE	National level.

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	P170264
GOVERNMENT COUNTERPART	MoP, Central statistical Organization (CSO), and Kurdistan Regional Statistics Office (KRSO)
READINESS & GOVERNMENT ENGAGEMENT	The team is working closely with the CSO and KRSO to prepare the IHSES-III survey and has collaborated with MoP to update the poverty projections. The phone survey reports, and other analytical works are shared with the 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 by ensuring data collection and analytical efforts to capture and address the needs of vulnerable and displaced populations and by testing new approaches to addressing implementation challenges.
BRIEF PROJECT DESCRIPTION	The proposed work includes two workstreams: (i) An extended program of technical assistance and capacity building for the CSO for the collection of household expenditure data and other key socio-economic data; and (ii) pilot innovative data collection methods to complement the main household survey collection. These pilots would explore data collection at a higher frequency, more focus and at much lower cost than normal surveys. The second workstream under this program would pilot innovative methods of data collection to obtain timely information on welfare and monitoring of project implementation. Due to urgent data needs during the COVID-19 pandemic, the program was modified to include phone surveys to collect timely information on the impact of COVID-19 on individuals and businesses, and consequently to better inform policymaking. Capacity building of the statistical office staff is included in both workstreams. Furthermore, an interim Poverty Map is developed and shared with MoP/CSO to help the GoI with 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. Data on household needs and well-being are key for policymaking and poverty reduction interventions. The 2012 survey 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 SFD. Such maps require on-going data renewal, including through less formal data acquisition means, if they are to remain current as policy design tools. The planned Population Census in October 2020 and household survey in 2021 presented great opportunities 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, COVID-19 meant the Census was not conducted and the survey was delayed.

COMPONENTS	<p>Technical Assistance to the CSO and KRSO: The activity seeks to strengthen government capacity to collect key socioeconomic and poverty data through intensive technical assistance for the upcoming IHSES and through updating the Poverty Map with the new census (if conducted).</p> <p>Data Innovation Pilots: This activity will pilot innovative methods of data collection to obtain timely (high frequency) information on welfare, vulnerability and conflict risks. This stream also includes creation of an interim poverty map and CEQ-light to assess the distributional analysis of fiscal policy on poverty and inequality.</p> <p>Note: Although the program has two workstreams they are not two separate components. Additionally, due to delays in workstream 1 and urgent data need on the pandemic, the team switched to COVID-19 phone surveys which are related to workstream 2. Additional funding from the first workstream was restructured to support this activity.</p>
FINANCING	I3RF: US\$1 million; Trust Fund for Statistical Capacity Building: US\$165,000; JDC: US\$68,000; Global Tax Program Multi-Donor Trust Fund: US\$100,000
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The data will allow for better design, targeting, and monitoring of government projects and programs, as well as World Bank and other donor projects, and aims to increase the effectiveness of all development financing including the World Bank' SFD and other social protection TAs. In addition, a joint MoP-WB-UNICEF note in close collaboration with MoP, CSO and KRSO assessing the impacts of COVID-19 was produced in a short period of time and adopted as the official report. The interim poverty map for KRI is helping guide targeting of COVID-19 emergency responses, and its expansion to the rest of Iraq will support similar measures implemented by the GoI or the World Bank.
LINK TO GOI REFORM AGENDA	(i) public sector and pension under Axis 1.1, (ii) electricity and custom tariffs under Axis 1.2, and (iii) social protection under Axis 4.2.
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 and therefore lacks recent gender-disaggregated welfare indicators, in particular, on poverty, inequality, labor market, schooling, health etc. The upcoming labor-force-survey, I-WISH and IHSES-III will fill the evidence gap related to gender in Iraq. The IHSES-III 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. The CEQ-light will reveal the distributional impacts of fiscal policies on women in Iraq.
CLIMATE CHANGE & THE ENVIRONMENT	The project takes climate considerations in its implementation; the survey will collect light-information on the impacts of climate change on livelihoods, and any mitigation measures employed. Some of the analytical work, such as microsimulations of distributional impacts, will also feed into the country's climate diagnostic review (CCDR).
COVID RESPONSE & IMPACT	Poverty projections and the note estimating the impact of COVID-19 on household poverty and vulnerability were produced using simulation modelling. Nine rounds of phone surveys were conducted with WFP to monitor socio-economic trends, 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 dimensions of welfare in Iraqi households.
IMPLEMENTATION ARRANGEMENTS	The Poverty and Equity GP leads implementation. Components supporting project implementation are run in conjunction with the SPJ GP. Technical assistance is provided to MoP, CSO, and KRSO. The updated Poverty Map uses IOM displacement data. The COVID-19 phone surveys are being done in collaboration with WFP. The COVID impact report for the GoI was carried out in collaboration with MoP and UNICEF.

KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	An interim update of the 2014 Poverty Map was created and finalized and shared with MoP for review. The interim map and targeting formula will help guide targeting of COVID-19 emergency cash transfer pilot by SPJ and KRG. Similarly, the Education team is using the findings from the phone survey, the interim Poverty Map, and the poverty projections analysis to choose areas for their Primary Education Project. The poverty projections were updated to reflect projections at governorate levels at the request of the MoP to help the government's planning and budgeting. Similarly, a paper examining the role of PDS on household welfare during displacement was published in 2020. A note exploring the impact of COVID-19 on poverty and vulnerability was released in collaboration with the MoP and UNICEF in 2020. Four rounds of data were collected as part of the high-frequency phone survey in 2021 (5 in 2020 and 3 firms survey in 2020) and two reports covering the first 6 rounds are already published. As part of the TA, the team has been providing IT training to CSO and KRSO staffs to build capacity. Till now 16 (about 2hrs each) trainings sessions have been held on CSPro program for CAPI development, data management and monitoring. Through extensive consultation with the counterparts (and through their consultation with the line ministries), relevant UN partners and the Bank's teams working on Iraq, and the survey expert a version of questionnaire is developed.
IMPLEMENTATION CHALLENGES	Currently, all the TA for IHSES-III is provided virtually. However, the weekly virtual trainings and meetings (connection, translation, etc. still an issue) might not be as effective as in-person classes. The easing of travel restrictions and resumption of missions will greatly help, as counterparts have requested that important trainings are held in-person.
BENEFICIARIES	All institutions wanting to contribute to evidence-based policy making, including government agencies, the international community, civil society and academia. Indirectly, all vulnerable groups of interest (youth, women, IDPs, people with disabilities, and host communities in conflict areas) who were included in the surveys.
GEOGRAPHIC COVERAGE	National level program which covers all governorates, and the Poverty Map at district level.

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

P CODE	P176590
GOVERNMENT COUNTERPART	MoP, CSO, and KRSO
READINESS & GOVERNMENT ENGAGEMENT	The grant agreement is ready for signing and awaiting action by MoF. The project was prepared in close collaboration with CSO and KRSO, who helped develop the Project Procurement Strategy for Development (PPSD), social safeguards and other related documents. The activities and project planning to draft the Poverty Reduction Strategy III (PRS) was done in collaboration with the PRS secretariat at MoP.
STATUS	Pipeline
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 aid the CSO and KRSO in preparation and implementation of the third round of the Iraq IHSES III and MoP to draft the next PRS.

BRIEF PROJECT DESCRIPTION	The project includes two activities. First is an RE activity, which will aid CSO and KRSO to prepare and implement the third round of IHSES III. While the WB team will provide extensive TA through the “Building Evidence for Policy” project, 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 PRS III. Following a request from the PRS-Secretariat, the activity is designed as a BE activity. The activity will provide TA – both analytical and expertise support, and strategy and training workshops to help MoP staff to calculate different welfare indicators and monitor the progress of the PRS.
TIMEFRAME	December 2021–October 2023
SECTOR CONTEXT	The recurrent and often violent security crises compounded with the budgetary crises that are pegged with the oil price down cycles pose a severe challenge to monitoring poverty and welfare, precisely at times when and in a context where, it is most critical in Iraq. Previous surveys, IHSES I and II implemented in 2007 and 2012, respectively, and covering a period of relative peace and stability, have been vital in government planning and WB 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 updated surveys and censuses. Iraq’s last population census was conducted in 1997 but without the governorates of the Kurdistan Region of Iraq. Because of COVID-19, the Population Census of late 2020 and the third round of IHSES were both postponed. While the country implemented the latest round of the Multiple Indicator Cluster Survey (MICS) in 2018, data for a nationwide Labor Force Survey (LFS) does not yet exist. According to the World Bank’s Statistical Capacity Indicator (SCI), Iraq scored 36.7 and 34.4 out of 100 in 2020 and 2019 respectively. Given the economic crises in 2014 and 2020, conflict and displacement (2014 onwards), and the COVID-19 pandemic the country has suffered since, there is an urgent need to monitor current socioeconomic conditions and avoid the risk of data deprivation at a time when it is most critical. The upcoming LFS, I-WISH, this project, and IHSES-III will fill some of the current data gap.
COMPONENTS	<p>Component 1. IHSES III Iraq CSO (US\$3.41 million) – RE: This component will support the CSO to implement IHSES III in the 15 governorates of federal Iraq, and to prepare a survey, including but not limited to piloting and pre-testing conducting trainings for master trainers, enumerators and field supervisors, print and translate the questionnaire, survey manuals etc., and acquire goods and services needed to implement the survey. In addition, the grant will support survey field work – transportation, remuneration for field enumerators and supervisors, and other operation needs –, auditing, and data processing for analysis of results.</p> <p>Component 2. IHSES III Kurdistan-Iraq KRSO (US\$0.95 million) – RE: As in the first component, the second component includes all the necessarily preparation and implementation support for the KRSO to implement the IHSES III in the Kurdish governorates of Iraq. It will help the KRSO to pilot the survey, conduct trainings for master trainers, enumerators and field supervisors, print and translate the survey instrument, manuals and maps, and for KRSO to acquire goods and services needed to implement the survey. The component will also support the fieldwork and the data processing for analysis of results.</p> <p>Component 3. Drafting of the third Poverty Reduction Strategy (PRS III) (US\$0.61 million) – BE: With the second strategy coming to end, the third PRS will be prepared in 2022. The component will support and organize multiple workshops for the to-be-formed High Committee for Poverty Reduction Strategy (HCPRS) and various experts to delve and evaluate the PRS-2 and devise a new strategy based on the latest statistical evidence. Similarly, it will help to retain the services of an international expert, and multiple local experts to train MoP staff to prepare indicators, monitor PRS III activities, and also to provide overall coordination and drafting of the strategy under the guidance of the High Commission.</p>
FINANCING	I3RF: US\$4.97 million (US\$610,000 BE; US\$4,360,776 RE)
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The data will allow for better design, targeting, and monitoring of government projects and programs, as well as World Bank 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 GOI REFORM AGENDA	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 activity will directly underpin some of the analytical work needed to operationalize the Gol's reform agenda. In particular, the data will be important in analyzing the distributional consequences of, and thus help to 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 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); and (iv) establishing targeting criteria to reach the poorest and most vulnerable groups, and the gradual transition from ration cards to cash assistance under Axis 4.2 (redraw the social protection system completely, and standardize different types of support). The next poverty strategy will evaluate the current PRS 2018–2022 and re-diagnose the Poverty and Wellbeing Draft Strategy based on 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 on household poverty and welfare, and especially gender-disaggregated welfare indicators on poverty, inequality, the labor market, schooling, health etc. The upcoming labor-force-survey, I-WISH and IHSES-III will fill the evidence gap related to gender in Iraq. The survey 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 data will allow an analytical focus on the barriers and possible solutions to female economic empowerment, a priority for PRS-2, which will directly inform the preparation of PRS III.
CLIMATE CHANGE & THE ENVIRONMENT	The survey will collect light-information on the impacts of climate change on livelihoods and mitigation measures employed, and will aid understanding of the potential impacts of climate change on Iraqi households and communities.
COVID RESPONSE & IMPACT	The IHSES III questionnaire is adjusted to reflect the impacts of the pandemic on various welfare dimensions of Iraqi households' welfare.
IMPLEMENTATION ARRANGEMENTS	CSO and KRSO are the implementing partners for IHSES III data collection; the PRS-secretariat and MoP will lead the drafting of the next PRS. The Poverty and Equity GP leads the technical assistance, project preparation and other needed support for the project.
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	The project aims to support the Gol to adopt evidence-based policy making and Bank's operations to be better selected, designed, targeted and implemented to enhance their impact on poverty and equity. The project will help fill the current data gap in the country and provide evidence on socio-economic development, labor market, gender gap, food security and the impacts of COVID-19 on different sectors and population groups in Iraq. The data will also be important in understanding the drivers of conflict, the design and targeting of government and Bank activities, and the case for private sector investments with respect to private demand. Furthermore, the data will be vital in operationalizing, monitoring, and assessing the Gol's White Paper reform agenda through poverty and equity lens.
IMPLEMENTATION CHALLENGES	Delays in signing the project agreement. Currently, all the TA for IHSES-III is provided virtually. However, we believe that weekly virtual trainings and meetings (connection, translation, etc. still an issue) would be more effective in-person, and thus, the easing of travel restrictions and resumption of missions will greatly help. Counterparts have also requested that important trainings are held in-person.
BENEFICIARIES	The direct beneficiaries of this project are 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 NGOs will benefit from the project. Indirectly, all vulnerable groups of interest (youth, women, IDPs, people with disabilities, and host communities in conflict areas) who are included in the surveys will benefit.
GEOGRAPHIC COVERAGE	National level - the survey covers all governorates, and PRS III is the Government strategy for all of Iraq.

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	P174339
GOVERNMENT COUNTERPART	Task 1 (Third-Party Monitoring): MoP Public Contracting Directorate (PCD); MoCHMWP, Roads and Bridges Directorate, MoE, Ministry of Water Resources, Ministry of Health, Ministry of Transport, Nineveh Governorate, Salah El Din Governorate, Anbar Governorate, Diyala Governorate. Task 2 (Fiduciary Capacity Building Program): MoP Public Contracting Directorate (PCD), MoF Public debt directorate, and Iraqi Union of Accounting and Auditing (IUAA).
READINESS & GOVERNMENT ENGAGEMENT	Task 1. The WB team contracted the TPMA and 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. Task 2. The capacity building program will be implemented directly by a WB team of financial management and procurement specialists in close collaboration with government stakeholders. The Concept Note has been prepared, and project objectives and scope have been presented to the Gol.
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 the funds proceeds of WB financed projects are used to its 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 World Bank 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 a sustainable capacity building towards professionalization through Iraq's universities.
TIMEFRAME	June 2020–June 2022
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 Gol'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 the business community in procurement and financial management, aiming for a sustainable Public Procurement Capacity Building Program towards professionalization through universities and other educational institutions (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, the Social Fund for Development Project (SFD), and the Iraq COVID-19 Vaccination Project. 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 European Union (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, public investment management, and public procurement modernization at selected federal and regional agencies.</p>
LINK TO 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	The project takes climate considerations in its implementation. Task 1. This project contributes to Climate Mitigation and Climate Adaptation by reducing carbon footprint through combining site visits when possible. The TPMA uses innovative technology (i.e. geo-tagging when sharing pictures from the sites) to provide remote services as relevant. Task 2. The planned capacity building program will stress the importance of green procurement.
COVID RESPONSE & IMPACT	Task 1. Following the COVID-19 outbreak and the Government's request for support in responding to the pandemic, the scope of the TPMA was expanded to conduct an urgent Environmental and Social Audit for the COVID-19 vaccination centers as a pre-requisite to complete the preparation of the necessary safeguards instruments required for the COVID-19 vaccines project under preparation.
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's 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 team is led by an international consultant, managing the contract by the Head Office in Amman, and operating on the ground through the local office with a local support team. The TPMA's team coordinates with government counterparts for efficient monitoring and reporting. Collaboration among the relevant World Bank Global Practices happens through a cross-GP CMU working group established to ensure an effective coordination. Task 2. This task will be implemented directly by World Bank procurement and financial management specialists and in close collaboration with government stakeholders, in particular MoP.</p>

KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	Task 1. The TPMA is engaged to cover Iraq's portfolio which includes the I3RF. The contract was signed originally covering two I3RF active projects and has currently expanded to cover one more project; additional projects in the pipeline are expected to be monitored as soon as they become active. 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 activity has been a model across the WB to engage third-party monitoring for WB financed projects. 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 delayed due to COVID-19 restrictions.
IMPLEMENTATION CHALLENGES	COVID-19 restrictions have delayed this activity.
BENEFICIARIES	Relevant government stakeholders with a special consideration to 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; (vii) Duhok; (viii) several cities across Iraq to conduct the audit for COVID-19 vaccination centers. Task 2. Implementation delayed due to COVID-19 restrictions.

3.4 PEACEBUILDING AND CITIZEN ENGAGEMENT

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

P CODE	P173326
GOVERNMENT COUNTERPART	REFAATO through the EODP and the Roads & Bridges Directorate/ Ministry of Construction, Housing and Public Municipalities through the Iraq Transport Corridor Project (TCP).
READINESS & GOVERNMENT ENGAGEMENT	The team responsible for component 3 of the ASA, which focuses on citizen engagement, has developed a theory of change and action plan that will see them engage more intensively with government and civil society representatives in FY22. The team is planning to engage with the MoP, the NGO Directorate, the Ministry of Construction, Housing, Municipalities and Public Works, and select government entities that are already considered clients of ongoing I3RF operations and activities. Additionally, the team is providing support to the Iraq Country Climate and Development Report (CCDR) and may engage with the Ministry of Environment.
STATUS	Active
PROJECT DEVELOPMENT OBJECTIVE	Improving the effectiveness of World Bank 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	This project aims to provide the analytical foundations and operational support to promote peacebuilding across ongoing and future World Bank interventions in Iraq. It is structured around three components: (i) Deepening understanding and analysis on FCV dynamics; (ii) Operationalizing a "peace lens" to integrate peacebuilding, governance and political economy issues in the portfolio; and (iii) Piloting and mainstreaming citizen engagement approaches.

TIMEFRAME	January 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 \$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 and includes a strong focus on supporting the implementation of the government's reform agenda (notably via the I3RF). A FY2022-FY2026 Country Partnership Framework (CPF) 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 stream of activities aims to contribute to a better understanding of local dynamics and actors, and to inform context-specific and area-based approaches for reconstruction. As such, it will provide an important vehicle to operationalize key findings and recommendations from the report notably a shift from simply "rebuilding the past" to addressing the existing grievances and the potential factors contributing to fragility. In addition, this ASA will support a key priority under the new World Bank Group's Fragility Conflict and Violence strategy 2020-2025.
COMPONENTS	Three components, each containing several deliverables: 1) deepening understanding on 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.
FINANCING	I3RF: US\$1.2 million
LINKAGES TO OTHER PROJECTS/ INITIATIVES	The project is supporting the situational awareness of Iraq's FCV risks on a continuous basis. A number of key linkages with other teams have been established in the development of component 1b (dashboard). The core PBGCE team has engaged the Project Targeting Initiative (PTI) to develop a sub-national, weighted, multi-dimensional targeting index that will be integrated into the dashboard functionalities. The PBGCE team has also established links with the Geo-Enabling initiative for Monitoring & Supervision (GEMS), to provide an overlay of portfolio mapping data which will be incorporated into the dashboard. Finally, the PBGCE team has also established links and an informal understanding to collaborate with the P360 initiative for hosting the dashboard on their tailored software (including their data repository tools). All three collaborations will enable the production and sustainability of a dashboard which offers project teams a powerful tool to assist them in their management of project and context-related risks. Under component 2, the team is providing technical support for the EODP's grievance redress mechanism and beneficiary surveys, and technical support for the development of the Citizen Roadway Reporting System under the Iraq Transport Corridor project. It is also exploring opportunities to deepen linkages with other operations.
LINK TO GOI REFORM AGENDA	The political economy analysis provided by the project under component 2, can inform the implementation of the reform agenda by highlighting political economy challenges 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 PROVIDED BY YOUR PROJECT	Technical Assistance, Advisory Support and Analytics
GENDER EQUALITY & EMPOWERMENT WOMEN	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 issues into political economy analysis in support of WB ongoing and future operations.

CLIMATE CHANGE & THE ENVIRONMENT	The project contributes to climate mitigation and climate adaptation. Under component 1, climate-induced forms of FCV 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 in designing climate-sensitive interventions. Component 2 will factor climate change related governance and political economy challenges into political economy 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 contribution to the WBG's efforts to support the Iraq's NDCs.
COVID RESPONSE & IMPACT	The conflict monitoring work is taking place in close collaboration with a global effort to pilot COVID-19 unrest and conflict monitoring systems in six countries including Iraq. 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 take into account the impacts of COVID-19 in FCV context. Finally, under component 3, the team is exploring piloting citizen engagement enhancing activities under COVID-19 response projects.
IMPLEMENTATION ARRANGEMENTS	The FCV Group, Governance and Social GPs jointly lead implementation of the activity. There is also a close coordination with the Poverty, Urban, Energy, and the Social Development GPs
KEY DELIVERABLES & RESULTS FROM JANUARY TO DECEMBER 2021	Under component 1 , following a competitive process to onboard a third-party entity to conduct analysis, a FCV risk monitoring framework to guide monitoring activities was completed in August 2021. Following and in line with the framework, a baseline assessment of risks was completed which outlines the risk landscape as of September 2021, and provides several risk pathways for how FCV may evolve in the context of Iraq going forward. This baseline risk assessment was followed by the first monthly risk briefs, and the first quarterly risk brief produced for the September – November 2021. In addition, a series of stakeholder consultations took place over July – September 2021. The purpose of the consultations was to identify existing risk monitoring initiatives in Iraq, to learn from the lessons of previous efforts to build dashboards in other FCV contexts, and to ensure that the dashboard would be tailored to inform projects design. Following these consultations, a concept note for the dashboard was developed, together with a draft presentation on the dashboard's architecture and a list of indicators for consideration for dashboard visualization. The pilot form of the dashboard is due be presented by the end of the 2021 with plans for collaborating with the PTI, GEMS and P360 teams. Under component 2 , two learning events have been organized (on the political economy of the 2022 budget and on the outcome of the 2021 election). Under component 3 , the team has completed the deliverable documentation relating to a rapid stock take of WBG entry points. Additionally, the team has liaised with different project teams to engage in the citizen engagement enhancement efforts. For example, on the TCP, the team is supporting the upgrading of the Transport Corridor Project-level communications and monitoring platform, specifically in the form of developing an additional module to enhance CE processes and interactions. Under the EODP, the team has been providing technical support for the project's grievance redress mechanism and beneficiary surveys. Moreover, the team, in collaboration with EODP team and REFAATO, is exploring designing a customized ICT-enabled CE solution. In preparation of the CCDR, the team is providing technical support on the design and implementation of the stakeholder engagement process. The CCDR team is also in the process of delivering a dialogue event on climate change with civil society.
IMPLEMENTATION CHALLENGES	Restrictions imposed by the COVID-19 pandemic and the security situation limited the presence on the ground which is important for citizen engagement activities.
BENEFICIARIES	WB project teams, select Iraqi civil society organizations and government entities
GEOGRAPHIC COVERAGE	National level.

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