



FINAL REPORT
BMZ Agreement 2019-40-733
12 December 2019-20 September 2022

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Project profile

Project name	Resilience building through employment generation in crisis affected communities of Iraq	
BMZ No.	2019-40-733	
Total contribution	US\$ 44,600,603.89 (excluding US\$ 446,006.04 coordination levy)	
To date:	US\$ 44,469,907.57	
Amounts disbursed	US\$ 130,696.32	
Amounts committed	US\$ 0.00	
Amounts remaining		
Implementation period	12 December 2019 to 20 September 2022	
Project location(s)	<i>Governorate</i>	<i>District</i>
	Anbar	Heet
	Diyala	Khanaqin and Al Khalis
	Ninewa	Sheikhan and Til Kaif
	Salah al-Din	Tooz Khurmatou, Tikrit, and Shirqat
Project partners (e.g., other UN agencies, NGOs, private contractors, consultants)	<p><u>Non-government organizations (Responsible parties):</u></p> <ul style="list-style-type: none"> - Mercy Hands for Humanitarian Aid - Danish Refugee Council (DRC) - World Vision International (WVI) – Iraq. - Agency for Technical Cooperation and Development (ACTED). - Caritas Czech Republic (CCR). <p><u>Public Organizations:</u> Ministry of Labour and Social Affairs (MOLSA)</p> <p><u>Private sector:</u> Toyota</p>	
Reporting period	12 December 2019 to 20 September 2022	
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Chapter 1. Executive summary

The project aimed to facilitate the recovery and enhance the resilience of vulnerable communities in Iraq by providing short- and medium-term employment opportunities for men and women and improving the institutional capacity for the development of Small and Medium Enterprises (SMEs). The project targeted the most vulnerable people among Internally Displaced Persons (IDPs), returnee and host community populations in four liberated governorates: Ninewa, Salah al-Din, Diyala, and Anbar. The project objectives were set to be achieved through four integrated outputs as below:

- **Output 1. Livelihood opportunities created in the target locations**

The project conducted Rapid Market Assessments and Value Chain Analysis to inform project intervention design. Demand-driven vocational/ On-the-job training were conducted to facilitate the job placements of beneficiaries. Grants for asset replacements and scaling up of existing enterprises were provided.

- **Output 2. Entrepreneurship promoted among beneficiaries**

Business start-ups were facilitated with enterprise start-up capital, business management training and mentorship

- **Output 3. Opportunities for local employment created in target locations**

Community infrastructures were rehabilitated through short-term employment (Cash-for-Work (CFW)) where workers were trained and equipped with skills to access afterward medium-term employment

- **Output 4. Enabling environment for the Ministry of Labour and Social Affairs improved to support small enterprises and labour market**

The capacity of the Ministry of Labour and Social Affairs (MoLSA) was assessed and improved, enabling civil servants to develop Standard Operating Procedures (SOPs) for monitoring SMEs

Under the four outputs, a total of 22,270 individuals directly benefited from the project. This included 13,735 (61.7%) men, 8,535 (38.3%) women, 10,475 (47%) youths and 2,573 (11.6%) People with Disability (PWDs).

ICRRP partnered with five national and international Non-Governmental Organizations to implement the project activities. The project applied an evidence-based pathway for implementing livelihoods and employment support activities. Using an Area Based

Recovery Approach (ABRA), the project rolled out district-based Rapid Market Assessments (RPM) and Value Chain Analysis (VCA). This further sharpened its focus on community engagement and consultation to maximize the participation and voice of local community members in the design and implementation of project interventions. The results of the assessments informed the beneficiary selection process and the priority infrastructure rehabilitation through a CFW modality. Findings also guided Small and Medium Enterprise and Vocational and On the Job training interventions. The project conducted eight RMAs and eight VCA across the eight districts of implementation.

Project beneficiaries from IDPs, returnees and host communities were selected using a Vulnerability Selection Criteria matrix that was designed and approved by the Emergency Livelihood Cluster (ELC). The criteria included household income level, household size, number of dependents, gender, disabilities, age, among others which enhanced inclusion and targeting of vulnerable populations. The achieved targets were the following:

- 1,467 beneficiaries (863 men and 604 women) were supported with vocation training and 832 (56.7%) benefited from job placement
- 2,817 (1,866 men and 951 women) benefited from Asset replacement and business expansion
- 2,755 beneficiaries (1,423 men and 1,332 women) benefited from business start-up support
- 15,231 beneficiaries (9,583 men and 5,648 women) benefited from short-term employment through the CFW modality
- 13,985 CFW beneficiaries (8,601 men and 5,384 women) were trained
- 280 community infrastructure were rehabilitated

The project commissioned a third-party monitoring agent to conduct a post-intervention assessment after three months of ending the implementation. The assessment randomly selected a representative sample (n=1184) that was stratified across the targeted districts. Findings showed that:

- 29.0% of the vocational training beneficiaries had acquired long-term employments. Among these, 72.6% acquired employment in the trained vocations
- 97.2% of the overall businesses supported were found to be operational three months after the intervention. The main reasons cited for failed businesses were inadequate capital, illness of family member, and inappropriate business choice. As a result of business support, 15.2% of the supported businesses had hired new employees. Of the hired employees, 30.3% were skilled, 66.7% semi-skilled and 3.0% unskilled. The assessment also revealed that the business support had contributed to increased household income for 92.9% of businesses, increased

access to household food for 51.1% of businesses, and increased household expenditure for 30.6% of businesses

Furthermore, for the CFW intervention under output 3, the project commissioned a survey to analyse the impact of cash injections through CFW on the local economy. 241 businesses were interviewed. Findings showed an increase in the purchasing power/spending of beneficiaries in three studied sectors: food, health and education. 95% of food businesses (n=85) reported an increase in size of food sales; 93% (n=83) reported an increase in demand for some food commodities (such as meat, fruits, etc.); and 81% (n=72) reported an increase in the rate of debt repayment/direct payment by consumers. In addition, 96% (n=85) of food businesses reported an increase in their store's daily revenue during the period of implementing CFW activities. The impact was similar in the health sector as 81% (n=35) of the respondents from pharmacies reported an increase in the rate of debt repayment/direct payment by customers during the period of implementation of CFW activities. In the education sector 93% (n=40) of the stationery stores reported an increase in the volume of demand for stationery and school supplies. Additionally, 85% (n=11) of Nurseries and kindergartens reported an increase in pupil enrolment. This implied a positive correlation between CFW cash injections with the growth of local SMEs in the market.

The project also supported an enabling environment for the development of small businesses by improving the institutional capacity of the Ministry of Labour and Social Affairs (MoLSA). Specifically, the project targeted two sections: Micro-Credit Fund and Business Incubators. The support included: i) institutional capacity assessment that was carried out to identify the gaps and entry points for improving the capacity of the two targeted sections, ii) development of SOPs for monitoring and following up MoLSA-supported businesses, and iii) capacity building and training programmes on specialized topics attended by 272 MoLSA employees (218 men and 54 women). As a result, 23 MoLSA staff (4 women) passed the accreditation test for being certified Training of Trainers on Preparing and Evaluating Feasibility Studies.

During the implementation, the project faced different challenges and barriers that impeded the timely completion of some activities and resulted in some timeline deviations against the work plans. The continued effect of the COVID-19 restrictions, especially during 2021, frequent security incidents, and belated approvals from the relevant authorities to start some CFW activities, especially in schools, were the main challenges. Other challenges included delay in renewal of the Directorate Non-Government Organization access letter of the partners, USD and Iraqi dinar devaluations and political instabilities. However, the project mitigated the challenges as detailed in Chapter 5.

Chapter 2. Contextual developments

Following the ratification of the election results at the end of December 2021, the newly elected parliament met for the first time in the Green Zone on 9 January 2022 to elect the parliament speaker and two deputies. However, the next step in the process, the election of a President, continued to be in abeyance as the necessary parliamentary quorum has not been reached. Once the President is elected, he or she will then charge the nominee of the largest parliamentary bloc with the formation of a council of ministers, to be endorsed by Parliament. In mid-June 2022, 73 Members of Parliament from Muqtada al-Sadr's bloc resigned, and 73 new members were sworn in by the Council of Representatives ten days later. The stagnant government formation process following Iraq's largely peaceful elections last October is stalling urgently needed reforms, such as the implementation of the White Paper for Economic Reform and creating a dangerous political and security vacuum that could be exploited by ISIL.

Attacks against diplomatic missions and convoys in Iraq and against the civilian population and infrastructure continued, especially in Anbar, Baghdad, Diyala, Kirkuk, Ninewa and Salah al-Din Governorates, remain a serious concern. In response, Iraqi security forces continued their counterterrorism operations. The security situation in Iraq is likely to remain volatile and could be further exacerbated by rising food prices as a result of the Russia – Ukraine crisis. Since the beginning of April 2022, Iraq has been severely affected by unusually frequent dust storms grounding flights and hospitalizing thousands of people.

According to the latest available data from the International Organization for Migration (IOM)¹, 4,978,674 displaced Iraqis had returned to their area of origin by the end of September 2022. This represents an increase of 8,886 people since the previous round collected in April-June 2022 (rate of change of +0.2%). This slow return rate can be explained by a lack of livelihood opportunities and destroyed housing in areas of origin due to the conflict, as well as better safety and security in areas of displacement. With 1,173,812 remaining Internally Displaced Persons (IDPs), the country-wide rate of return stands at 82 percent, consistent with the previous round. Around three fifths of the current caseload of IDPs originate from Ninewa (658,545), mainly from Mosul (245,677), Sinjar (181,927), and Ba'aj (103,413). Around three-quarters of IDPs reside in private settings (76 percent, 889,092 individuals), followed by 15 percent in camps (179,360) and 9 percent in critical shelters (104,598). They continue to face challenges to return to their places of origin and have limited access to safe water, electricity and educational services while simultaneously facing discrimination due to their IDP status. The country also continues to host approximately 250,000 Syrian refugees requiring continuous assistance to avoid negative coping mechanisms.

¹ IOM DTM, Iraq Master List Report 127, July-September 2022.

While the impacts of the coronavirus disease (COVID-19) global pandemic are gradually defusing across the globe, long-term public health and socio-economic challenges continued during the re-reporting period. By 30 September, a total of 2,460,318 COVID-19 infections, resulting in the death of 25,356 people, had been confirmed by Iraqi health authorities². Iraq had received over 6 million vaccination doses through the COVID-19 Vaccines Global Access (COVAX) Facility since 2021. While vaccination services have been significantly expanded since late 2021, uptake of the vaccination remains relatively low. In March 2022, the Ministry of Health launched a campaign to expand the coverage of COVID-19 vaccines and routine immunization services, employing over 1,300 mobile outreach teams across Iraq³. COVID-19 vaccination in Iraq remains very low, among the lowest in the region and well below the global rate. It remains low even among the most vulnerable groups, the elderly, and among those with high risk of exposure to the virus – poorer households and informal workers⁴. By the end of September, a total of 7,852,141 people had been fully vaccinated – about 19.5 percent of the Iraqi population and 27.8 percent of the population had received at least one dose.

The COVID-19 pandemic exacerbated the vulnerability of all these groups. In 2021, around 18% of IDPs, 33% of refugees, and 20% of returnees had insufficient food consumption level. Out of the 2.5 million People in Need (PIN), Iraq Humanitarian needs overview estimated around 750,000 PIN facing challenges to meet their daily food needs and around 632,000 PIN require emergency livelihoods assistance in 2022. IDPs and returnees continue to have difficulty accessing livelihood opportunities and basic services.

The Gross Domestic Product (GDP) contracted 11.3% in 2020 due to fluctuations in oil prices and a difficult fiscal environment. GDP grew by 1.3% in 2021. Favourable oil market conditions have recently pushed Iraq's fiscal balance into a surplus. However, a high budget spent on wages/pensions and the subsidization of basic services limit the ability of the government to stimulate the economy. Oil generates up to 99% of Iraq's exports, makes up 90% of government budget, contributes to 58% of GDP, but creates only 1% of total employment. This has produced a fragile economy with low resilience to internal or external shocks.

The Ukraine-Russia war increased the price of essential food commodities in Iraq and had a direct impact on the purchasing power of the vulnerable. The financial gains from higher oil price were offset by an increased import bill. Wage rates were not revised over the past 2 years and the war is exacerbating the already deteriorating food security situation in the country. The GoI faces challenges in the implementation of the Public Distribution System

² World Health Organization (WHO), COVID-19 Iraq Portal, <https://covid19.who.int/region/emro/country/iq>.

³ https://reliefweb.int/sites/reliefweb.int/files/resources/Joint%20PR%20%20UNICEF%20-%20MOH_ENG.pdf

⁴ World Bank, Iraq Economic Monitor, Spring 2022.

(PDS), one of the largest food subsidies programs providing six essential food commodities to vulnerable Iraqis.

Iraq has been one of the hardest hit countries by climate change with an annual mean temperature increasing by 1-2 degrees Celsius between 1970 and 2004, resulting in higher frequency of droughts. Average annual precipitation is decreasing. By 2050, a temperature increase of 1 degree Celsius, and a precipitation decrease by 10% will cause a 20% reduction of available freshwater resources. Under this scenario, nearly one-third of the irrigated land in Iraq will have no water by the year of 2050. This will have a serious impact on food security. In 2020, the annual population growth rate was 2.4%. In this regard, climate change is already impacting social and economic conditions in the country, and, if not addressed urgently, might be a conflict trigger due to climate-induced migration, and competition over scarce resources.

Recovery is still blocked by structural, institutional and finance challenges including conflict related damage to productive infrastructure, lack of access to income generating activities, in addition to safety and security issues. Rebuilding trust within and between communities and between communities and the government requires a considerable and sustained effort to support social and economic resilience in the society, preventing the re-emergence of violence.

Chapter 3. UNDP implementation structure

ICRRP developed Terms of Reference to identify NGO partners for the implementation of activities in the four governorates and eight targeted districts. ICRRP implemented a Responsible Party Agreement (RPA) modality for contracting the potential partners. The selection process was based on the comparative advantage of each organisation, where technical and financial proposals were submitted and evaluated by an internal committee. UNDP signed in December 2020 and January 2021 RPAs with Mercy Hands for Humanitarian Aid (MH), World Vision International – Iraq (WVI), Danish Refugee Council (DRC), Agency for Technical Cooperation and Development (ACTED) and Caritas Czech Republic (CCR). The different Responsible Parties brought on board different strengths and approaches of implementation which were a learning point and thus shared across the entire project.

Concerning the contracting modality, the Responsible Party Agreement itself is a standardized agreement that does not sometimes accommodate between actual implementation and the payment process. For future RPAs, the project should consider the agreed target, project timeline and the financial delivery rate at the same time.

The project partnered with the governmental and private sector vocational training service providers; Directorate of Labour and Social Affairs (DoLSA) and Tamkeen company to provide the vocational training courses on the pre-identified vocations and topics. MoLSA accredited participation certificates of the majority VT graduates, specifically for the training programmes that were delivered through MoLSA engagement, such as barbers, carpenters, PVC and auto repair shops. This partnership strengthened the quality of implementation as, on several occasions, Responsible Parties designed training curriculums basing on the context and identified needs through the RMA and VCA which were adopted by MoLSA. This approach enabled MoLSA to update its old curriculum and thus providing up-to-date knowledge and skills not only to the project beneficiaries but also its other jurisdiction.

The project coordinated internally with other KFW-funded projects, namely Building Resilience through Employment Creation (BREP) and Integrated Recovery Support, Funding Facility for Immediate Stabilization and Iraq Crisis Response and Resilience Programme that have activities in the same districts to avoid duplication and overlapping. The three projects exchanged the list of beneficiaries and studies and assessments conducted. A coordination platform between the relevant implementing partners was constructed through regular meetings and updates sharing.

Chapter 4. Progress and developments during the reporting period (plus annex “updated results matrix”)

Project progress

ICRRP completed the implementation of the project activities and achieved the targets as reflected below.

Output 1. Livelihood opportunities created in the target locations

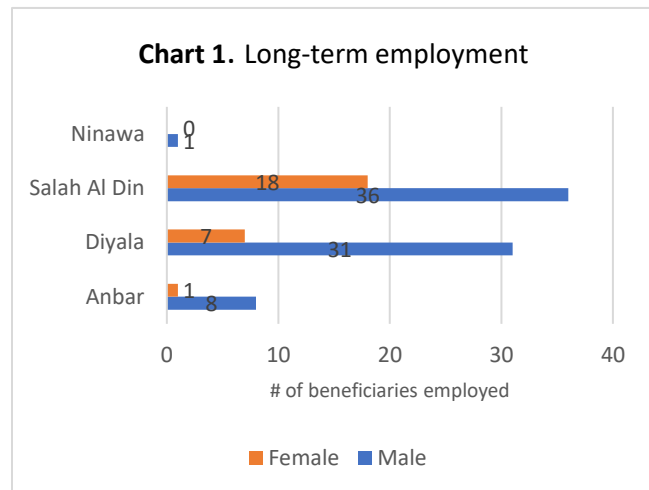
Indicators ⁵	Targets ⁶	Achievements
# of youth who receive on-the-job training (original indicator) # of beneficiaries who receive on-the-job training (revised indicator)	1,300 youth receive on-the-job training (original target) 1,300 beneficiaries receive on-the-job training (revised target)	1,467 beneficiaries: - 604 women - 863 men - 966 youth
# of trained youth supported with job placement in the private sector (original indicator) # of trained beneficiaries supported with job placement in the private sector (revised indicator)	1,000 trained youth receive job placement in the private sector (original target) 1,000 trained beneficiaries receive job placement in the private sector (revised target)	832 beneficiaries: - 315 women - 517 men - 495 youth
# of beneficiaries in the target locations who receive asset replacement grants	1,500 beneficiaries in target locations receive asset replacement grants	1,656 beneficiaries: - 657 women - 999 men - 499 youth
# of existing business owners supported with cash grants to expand their business	1,000 existing business owners receive cash grants to expand their business	1,161 beneficiaries: - 294 women - 867 men - 457 youth

⁵ In the 2021 Annual Report, KfW was informed that it was found that it is challenging to confine the selection of thousands vulnerable people, including women, from only this age group within a limited geographical area and the need to expand targeted beneficiaries beyond youth. ICRRP was requested to amend the targets and indicators accordingly in subsequent reports.

⁶ Ibid.

The project increased beneficiary employability through equipping them with vocational skills. This was evidenced by the findings of a performance assessment (sample size: n= 510) conducted three months after the completion of interventions.

With a Confidence Interval of 95% and a 10% margin of error, 29.0% (n=102) of the vocational training beneficiaries had acquired long- term employments (Chart 1). This was spread across the four governorates of intervention with Salah al Din Governorate having the highest number of 54, followed by Diyala Governorate with 38, Anbar with nine (9), then Ninewa with one (1). It's important to note that of those employed, 26 were women, 68 were youth and 3 were PWDs.

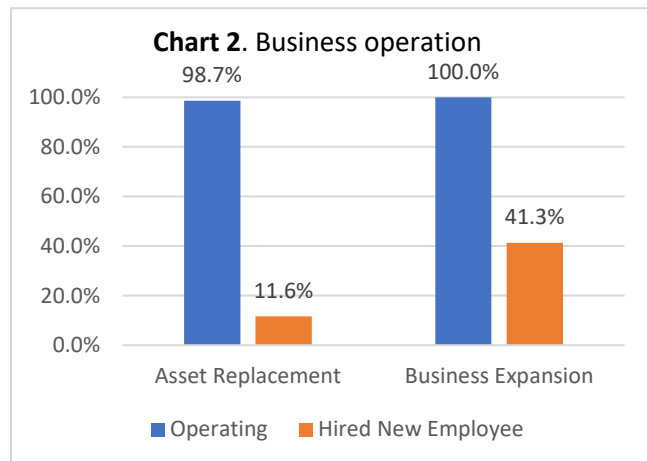


Among these, 72.6% (n=74) acquired employment in the trained vocations. The highest proportion- 41.2% (n=42) was retained through Job Placement, followed by 34.3% (n=35) and 24.5% (n=25) who got self-employed or employed elsewhere respectively. Considering the sectors that provided employment, services (including salon and barber, car wash, restaurants, sewing, electrical, plumbing, black smith, and taxi driver) with 45.1% (n=46) took the highest share. This was followed by construction with 14.9% (n=13), and other sectors that provided employment included food and beverage, wholesale and retail trade, industry and manufacture, to mention but a few. However, findings reveal that there was no strong correlation between mentorship of trainees with employment as only 13.7% (n=14) of those who got employed had received mentorship.

Overall, vocational/ On-Job training contributed to recovery and enhanced resilience of vulnerable communities as 72.2% (n=254) of the beneficiaries reported that the vocational skills received contributed to the improvement of the quality of their household living conditions. Of these, 175 (49.7%) reported increased household income; 111 (31.5%) reported a reduction in household debt while 85 (24.1%) reported an increase in access to household food.

This was achieved through providing 3-month vocational and technical skills development training or on-the-job training to 1,467 beneficiaries (863 men, 604 women and 954) out of the targeted 1,300 in different vocations. The supported vocations were identified basing on the results of the eight Rapid Market Assessments and eight Value Chain Analyses that were conducted in various districts of operation. The training was complemented by placing 832 beneficiaries out of a target of 1,000 who had completed vocational training

among private sector businesses for job placement to acquire employability skills. However, beneficiaries highlighted two main challenges faced while searching for employment. These included limited employment opportunities and high competition for employment.

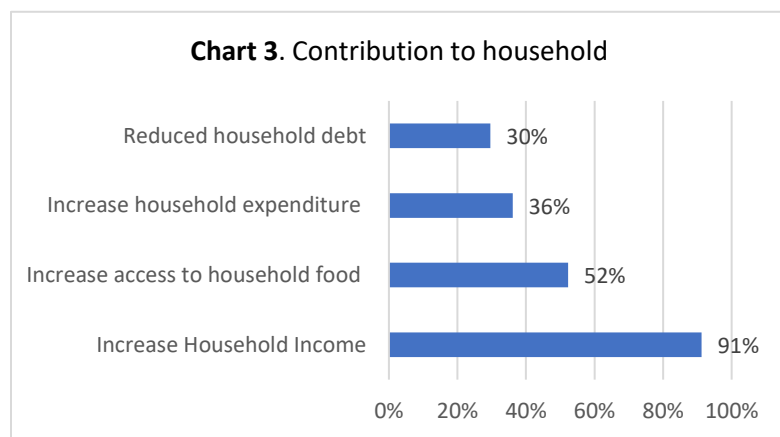


Whereas 98.7% (n=147) of the sampled asset replacement (n=149) supported businesses were found to be still in operation, 17 (11.6%) of these had hired new employees as a result of the grant. The main reason given for the failure of businesses was inadequate capital to run the business. Compared to business expansion, 100% (n=80) of the sampled businesses were still in operation and 41.3% (n=33) had hired new employees as a result of the grant (Chart 2.).

A total of 26 (1 woman) employees were hired by the supported asset replacement businesses. Of these, 53.8% (n=14) were semi-skilled while 46.2% (12) were skilled employees. Likewise, 66 (11 women) employees had been hired by expansion businesses. Of these, 78.8% (n=52) were semi-skilled while 21.2% (n=14) were skilled employees.

In addition, 92.6% (n=138) of asset replacement beneficiaries and 77.5% (n=62) business expansion beneficiaries reported to have benefited from business management training of 5 or more days. During the survey, the most adopted business management skills among asset replacement beneficiaries were 'Saving for business financing' adopted by 46.4% (n=64) of the trained beneficiaries, followed by 'Record keeping' at 44.2% (n=61) and 'Budgeting' at 42.0% (n=58). Compared with business expansion adoption of 'Budgeting' was 46.8% (n=29), followed by 'Record keeping' at 45.2% (n=28) and 'Saving for business financing' at 38.7% (n=24). Coupled with training, 73.8% (n=110) of the asset replacement beneficiaries and 43.8% (n=35) of business expansion benefited from mentorship. Majority-88.2% (n=97) and 77.1% (n=27) reported a minimum of two mentorship visits for asset replacement and business expansion respectively. The asset replacement grants were mainly disbursed in form of cash as 96.0% (n=143) of the beneficiaries reported to have received cash ranging from \$780 to \$1500. However, only 56.4% (n=84) of the beneficiaries reported that the cash grant was enough to purchase the required asset. This was mainly due to the inflation that had affected market prices of commodities that was not matched with the project budget. While the business expansion grant was mainly in form of cash disbursed in mainly two tranches as reported by 77.5% (n=62). Other tranches were one and three as reported by 11.3% (n=9) and 11.3% (n=9) respectively.

Generally, the asset replacement support contributed to recovery of lost productive assets due to conflict and displacement. This is evidenced by 38.3% (n=57) of beneficiaries reporting to have purchased 'Business equipment' including electrical tools, mechanic tools, generators, sewing machines, catering equipment, barber ad saloon kits to mention but a few. Other productive assets reported were 'Agricultural equipment by 14.8% (n=22), Livestock by 20.1% (n=30) and restoring workshops by 2.0% (n=3). In addition, business support enhanced employment creation and contributed to basic services and environmental resilience as 94.3% (n=229) of both asset replacement and business expansion reported that the received support had contributed to the improvement of their household living conditions.



Respondents reported that the business support had contributed to increased household income as reported by 91.2% (n=197), increased access to household food reported by 52.3% (n=113), increased household expenditure by 36.1% (n=78), and reduced household debt 29.6% (n=64) among others

(Chart 3).

All this was achieved through the project's support to 1,656 (657 women) asset replacement beneficiaries and 1,161 (294 women) business expansion beneficiaries to restore and expand their businesses respectively.

However, during the performance assessment beneficiaries highlighted a few challenges that negatively affect their businesses. These included high competition within similar businesses, insufficient supply of inputs, inadequate quality of inputs, limited market, absence of agricultural support, and the surging commodity prices due to inflation.

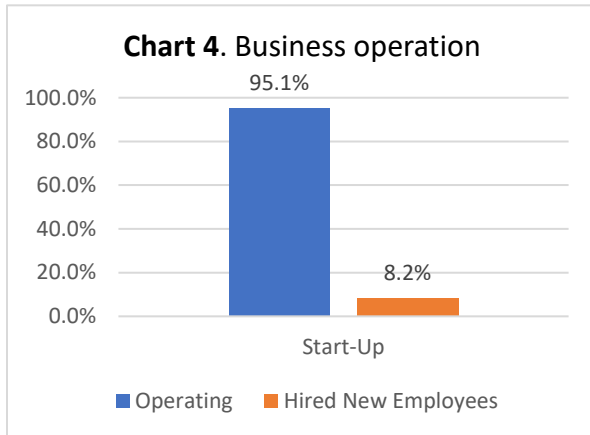
Output 2. Entrepreneurship promoted among beneficiaries

Indicators ⁷	Targets ⁸	Achievements
# of youth who receive grants for business start-ups (original indicator)	2,500 youth who receive grants for business start-ups (original target)	2,755 beneficiaries: - 1,332 women - 1,423 men - 1,247 youth
# of beneficiaries who receive grants for business start-ups (revised indicator)	2,500 beneficiaries who receive grants for business start-ups (revised target)	
# of young entrepreneurs trained in business management (original indicator)	2,500 young entrepreneurs trained in business management (original target)	2,755 entrepreneurs: - 1,332 women - 1,423 men - 1,247 youth
# of entrepreneurs trained in business management (revised indicator)	2,500 entrepreneurs trained in business management (revised target)	
% of youth start-ups supported with grants and business management, still operating upon project completion (original indicator)	90% of youth start-ups supported with grants and business management, still operating upon project completion (original target)	95.1% of start-ups (n=196) ⁹ supported with grants and business management, still operating upon project completion
% of start-ups supported with grants and business management, still operating upon project completion (revised indicator)	90% of start-ups supported with grants and business management, still operating upon project completion (revised target)	

⁷ In the 2021 Annual Report, KfW was informed that it was found that it is challenging to confine the selection of thousands vulnerable people, including women, from only this age group within a limited geographical area and the need to expand targeted beneficiaries beyond youth. ICRRP was requested to amend the targets and indicators accordingly in subsequent reports.

⁸ Ibid.

⁹ Sample size = 435 business support where 206 businesses were start-ups. 95% confidence Interval, 5% margin of error.



Findings of the Performance assessment revealed that this project promoted Entrepreneurship among beneficiaries through its interventions. 206 start-up businesses were interviewed. 95.1% (n=196) of the supported start-ups were still operating three months after the support. Of these, 8.2% (n=16) had hired new employees creating more employment for 27 people (3 women) including 19 semi-skilled, 6 skilled and 2 unskilled employees (Chart 4.)

Reasons cited for the failure of businesses included inadequate capital and business management skills to run the identified business, inappropriate business choice and diversion of business capital to meet household needs specifically illness. Prior to disbursement of the start-up grants, the project provided business management training to selected beneficiaries. According to the findings from the performance assessment, 81.6% (n=168) of the sampled beneficiaries reported having participated in the business management training with majority (99.4%, n=167) reporting five days or more of attendance. They highlighted some of the main topics covered during the training and these included ‘Business development’, ‘Business planning’, ‘Business financing’, ‘Budgeting’ and ‘Proposal writing’. When asked about adoption of the trained skills, 42.3% (n=71) had adopted budgeting, 37.5% (n=63) were practicing saving for business financing, 34.5% (n=58) had adopted different methods of marketing while 33.3% (n=56) had adopted record keeping among others. About the main achievements from business management training; 57.7% (n=97) reported having acquired improved customer handling skills; 44.0% (n=74) reported improved enterprise identification and selection skills; 41.7% (n=70) reported improved business development and proposal writing skills while 37.5% (n=63) reported improved financial planning and management skills. In addition, 49.0% (n=101) reported to having participated in mentorship where majority (70.3%, n= 71) reported a minimum of two individual mentorship visits. Mentorship did not only help beneficiaries in starting their own businesses as reported by 63.4% (n=64), but also built their confidence and courage in running a business as reported by 51.5% (n=52). More to this, mentorship provided advice to beneficiaries when it was needed (35.6%, n= 36) and supported them in actual record keeping (32%, n=33).

The start-up grants were disbursed mainly in one (36.9%, n=76) and two (63.1%, n=130) tranches based on the business plan. For the majority of those who got two tranches, the grant was apportioned into 50%:50%, while others received 40%:60%. However, a few beneficiaries (3.9%, n=8) disagreed with the percentage distribution as they noted that this was not aligned to their workplans (n=4), and that their businesses needed a bigger proportion to start (n=3). While some reported that the tranches needed to be disbursed

more closely to each other than it was done (n=2), others reported that the tranches needed to be more spread than it was done. This implies that it is very important to consider individual proposed business workplans while planning for grant disbursement. It is important to note that on average, beneficiaries spent 56.5% of the grant on raw materials for production, 40.3% on purchase of equipment and 2.7% on payment of rent.

Overall, 90.8% (n=187) of all beneficiaries supported with business start-ups acknowledged that the support contributed to improvement of the quality of their household living conditions. Specifically, 90.9% (n=170) reported increased household income, while 47.6% (n=89) reported increased household access to food. Additionally, 26.7% (n=50) reported reduced household debts while 23.0% (n=43) reported increased household expenditure. Thus, contributing to resilience building through employment creation among the crisis affected communities. This achievement was a result of providing start-up capital, training, and mentorship to 2,755 (1,332 women) out of a target of 2,500 beneficiaries. The beneficiaries also cited major challenges faced and these included stiff competition among similar businesses, limited market for their products, insufficient supply of inputs, price fluctuations due to inflation and absence of agricultural support.

Output 3. Opportunities for local employment created in target locations

Indicators	Targets	Achievements
# of workers employed in short-term cash-for-work schemes	14,000 workers employed in short-term cash-for-work schemes	15,231 workers employed in short-term cash-for-work schemes (40 days): <ul style="list-style-type: none"> - 5,648 women - 9,583 men - 7,556 youth 707 workers employed for less than 40 days: <ul style="list-style-type: none"> - 179 women - 528 men - 443 youth
# of persons who receive vocational training in high-demand sectors	14,000 cash-for-work beneficiaries trained in vocational skills	13,985 cash-for-work beneficiaries trained in vocational skills: <ul style="list-style-type: none"> - 5,384 women - 8,601 men - 6,936 youth

It's important to note that CfW Scheme did not only create an impact on structural infrastructure and providing short term income source for the workers, it also created longer term impact on the beneficiaries' households. Findings from impact assessments conducted in all districts of implementation unanimously point to a reduction in negative coping mechanisms, increase in household access to food, health services and education. In some instances, beneficiaries were able to save part of their wages and established income generating activities for sustainable livelihoods. Additionally, the increasing number of women participation in CfW at 37%, saw many women working outside their homes for the first time. Besides increasing women's contribution towards household income, their participation in household decision making was improved.

In Heet District, 91.7% (n=254) CfW beneficiary households reported being able to afford their households' basic needs after the completion of the project compared to a baseline of 16%. It is interesting to note that (80%, n=210) reported that they were employed 30 days after the completion of the CfW activity. Additionally, 70% (n=186) of respondents reported that they expected the same level of employment for the next month. Only 6% (n=15) of CfW respondents were struggling with debt at a value of 500,000 IQD after the completion of the project. In Til-Kaif District, with 109 CfW sampled respondents, 50% (n=55, 57% of the female, 47% of the male) reported that the CfW assistance helped them in establishing a sustainable source of income, including buying productive assets or establishing micro-business. In Al Khalis, 91% (n=272) CFW participants reported increased income level. A high percentage of 99.5% (n=211) reported reduced reliance on negative coping strategies from average total score of 6.97 points at baseline to 0.27 at the end of project. The Private Sector Director in Al Khalis reported that CfW had wider impacts on markets and services through cash transfers and restoration of public infrastructure. Whereas, according to a Government Staff in Al Khalis, the main strength of CfW interventions was the increased self-reliance of the community members in meeting their needs, as well as increased dignity in their community. In Sheikhan District, 61% (n=59) of sampled CFW participants stated that they saved part of their income for establishing and expanding their businesses. In Til Kaif, findings showed some positive perceptions about women's involvement in different walks of life except for free mobility to other cities for education, job and business. Besides, the project enhanced the appreciation of beneficiaries' differences and enabled them to overcome their stereotypes. This was through bringing together the manpower of various ethnicities during CfW providing them with an opportunity to interact with each other. Overall, 100% (n=186) of female and male beneficiaries stated that there were no tensions between the different ethnic groups.

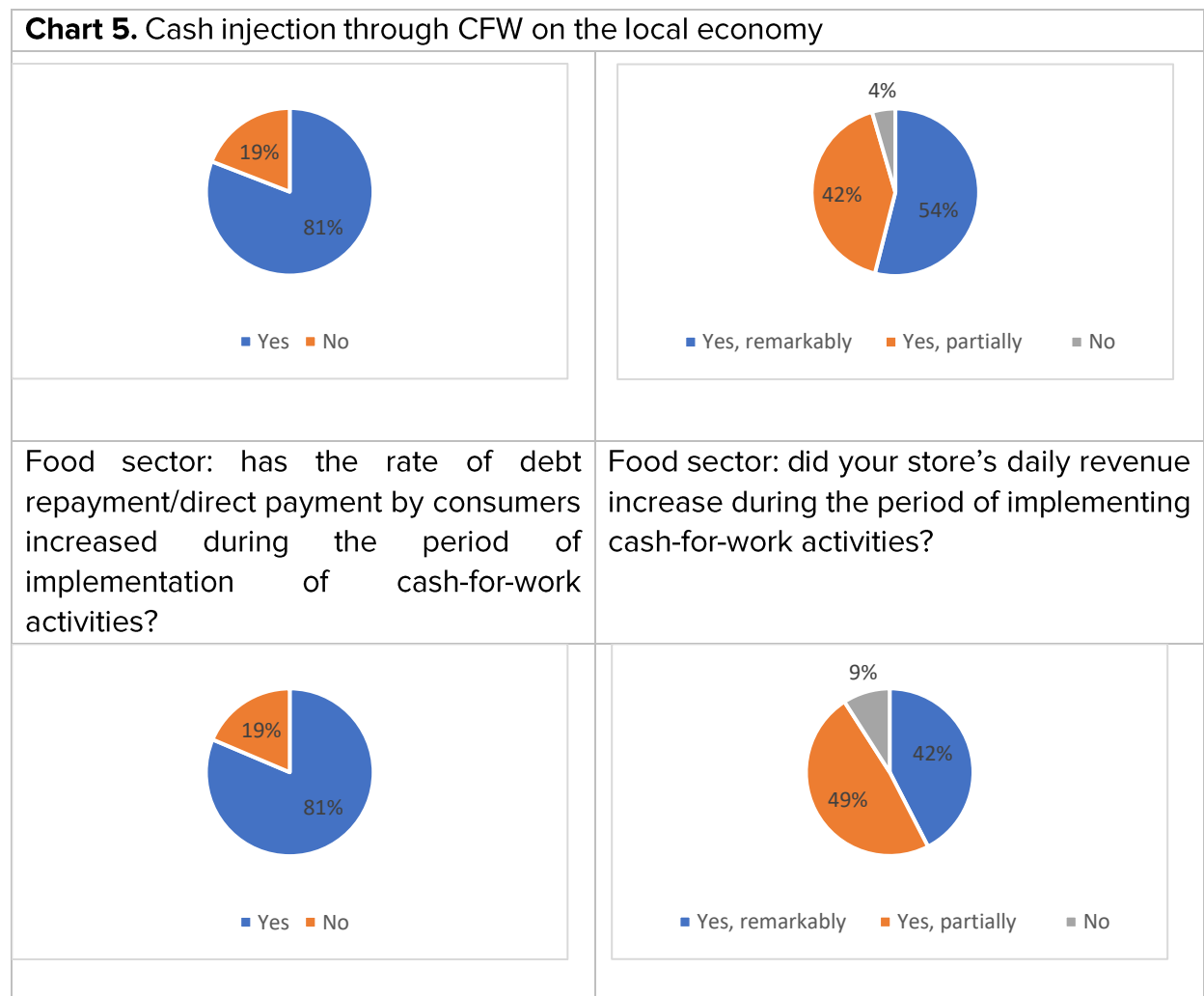
The project rehabilitated and repaired 280 community and local government infrastructure through 278 Cash for Work Schemes. The rehabilitated infrastructure belonged to various sectors including Agriculture (22), Education (35), Health (4), Public Works (193) and WASH (26). Ultimately, 4,700 hectares of public space land benefited from irrigation systems

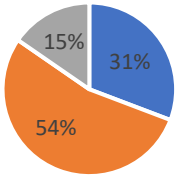
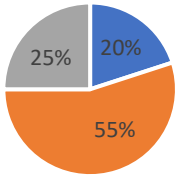
established to maintain green areas for beautification. Additionally, access to water for irrigation was created for 14,013.25 hectares of agricultural land through cleaned canal for irrigation. Furthermore, 165,000 m² of agricultural land (Orchard) benefited from irrigation as a result of established irrigation systems. Lastly, 30 schools benefited from the model gardens that were established through CfW schemes. This was achieved through support to 15,231 (5,648 women) workers employed in short-term Cash-for-Work schemes of 40 days duration. To enhance their access to longer-term employment, 13,985 (5,384 women) CfW beneficiaries were trained in vocational skills to improve their skill set. However, due to several disruptions including marriage, need to go back to school, and illness among others, 707 (179 women) workers were unable to complete the 40-day-cycle.

More so, an impact on the local economies in the various districts of project implementation was witnessed as a result of CfW implementation. During project implementation, a survey with sample size of 241 businesses to analyse the impact of cash injections through Cash for Work on the local economy was conducted. According to findings, there was a noted increase in purchasing power of beneficiaries reflected by the increase in purchases and the revealed impact on the three sectors of food, health, and education. This implies a positive correlation between CfW cash injections and growth of Small and Medium Enterprises (SMEs) in the same local market. This was reflected through 95% (n=85) of the respondents reporting increase in size of food sales during the period of CfW implementation. This finding is justified by findings from the impact assessments conducted by the project that revealed an increase in access to food by CfW beneficiary households. Similarly, 93% (n=83) respondents reported an increase in demand for some food commodities (such as meat, fruits, etc.). Food commodities reported with the highest change in demand included Oils (69%), white meat (60%) and Sugar (58%) which reflects an increased access to a variety of food items due to increased purchasing power of the CfW beneficiaries thus improving their nutritional and health status contributing to recovery of communities. Besides, 81% (n=72) of the businesses in food sector reported an increase in the rate of debt repayment / direct payment by consumers. This was due to the increase in income among beneficiary households derived from CfW wages. In addition, 96% (n=85) reported an increase in their store's daily revenue during the period of implementing cash-for-work activities leading to business growth. The impact was similar in the health sector as 81% (n=35) of the respondents from pharmacies reported an increase in the rate of debt repayment / direct payment by customers during the period of implementation of cash-for-work activities. Furthermore, 84% (n=36) reported an increase in sales volume of essential medicines. Whereas 88% (n=29) doctors' clinics, laboratories in private sector reported an increase in the number of patients; 42% (14) and 49% (16) reported a remarkable and partial increase in the store's daily revenue respectively. This reflects increased choices of health services due to increased disposable income. Likewise, in the education sector 93% (n=40) of the Stationery stores reported an increase in the volume of demand for stationery and school supplies. Additionally, 85% (n=11) of Nurseries and

kindergartens reported increase in pupil enrolment. Moreover, 69% (n=9) reported an increase in the rate of debt repayment/direct payment by parents. While 75% (n=15) of other schools reported a remarkable and partial increase in the number of students enrolled during the period of implementation of cash-for-work activities. Besides, 50% (n=10) reported an increase in the rate of debt repayment/direct payment by parents (Chart 5).

Therefore, it should be noted that CfW through increasing purchasing power and increasing access to goods and services for direct beneficiaries contributed to sustainable economic growth of local economies. This was achieved through boosting of existing SMEs and establishing new businesses in the local market as a result of increased demand for goods and services. Thus, increasing resilience against socio-economic shocks and stresses in the wider community leading to sustainable livelihood and economic recovery. The infrastructure rehabilitations through CfW activities also created a good ambiance for business operations.



Health sector (pharmacy): has the rate of debt repayment / direct payment by customers increased during the period of implementation of cash-for-work activities?	Health sector (private laboratory and doctor's clinic): Did your store's daily revenue increase during the period of implementing cash-for-work activities?
 <p>■ Yes, remarkably ■ Yes, partially ■ No</p>	 <p>■ Yes, remarkably ■ Yes, partially ■ No</p>
Education sector (nurseries and kindergartens): did the number of students enrolled increase during the period of implementation of cash-for-work activities?	Education sector (school): did the number of students enrolled increase during the period of implementation of cash-for-work activities?

Output 4. Enabling environment for the Ministry of Labour and Social Affairs improved to support small enterprises and labour market

Indicators	Targets	Achievements
Capacity assessment for a unit at MoLSA (e.g., business incubators unit) that provides support to small enterprises to inform capacity assessment response.	Capacity assessment response is proposed	2 institutional capacity assessment reports were prepared for MoLSA's Business Incubators Section and Micro-Credit Fund Section. The institutional capacity assessment reports were reviewed and endorsed by MoLSA.
SOPs manual on (e.g., monitoring and follow up on MoLSA-supported small enterprises) developed to	1 SOPs manual developed	1 SOPs manual on monitoring and following up with MoLSA-supported businesses was developed.

improve MoLSA's performance in supporting small enterprises.		The SOPs manual was reviewed and approved by MoLSA.
Capacity building and training programmes for MoLSA's relevant staff on specialized areas related to supporting small enterprises (e.g., review and evaluate feasibility studies, labour market indicators) conducted.	At least 3 capacity building and training programmes conducted	7 capacity building and training programmes were conducted. 272 MoLSA employees (54 women) received capacity building training programmes. 23 MoLSA staff (4 women) passed the accreditation test for being certified ToT on Preparing and Evaluating Feasibility Studies.

The Ministry of Labour and Social Affairs (MoLSA) provides small enterprise support and development services through its two main sections: i) Micro-Credit Fund for Small Enterprises, and ii) Business Incubators. Additionally, MoLSA has a section that is mandated with employment and survey functions to support monitoring of labour market dynamics and the decision-making process related to labour market issues.

The project designed a portfolio of technical assistance to be provided to MoLSA which will enhance the enabling environment for small businesses and employment creation. The portfolio of technical assistance aimed to improve MoLSA's corporate and staff capacity in business support services which are provided through MoLSA's incubator section at the governorate level.

The project implemented the following activities as part of the overall technical support to MoLSA:

- **An institutional capacity assessment** was conducted in close coordination with MoLSA's relevant staff, including the staff of the two targeted sections Business Incubators Section and Micro-Credit Fund Section. It aimed to help these two units to identify the assessment gaps and produce recommendations for improving the institutional performance of these two units. Recommendations from the assessment include, among others, i) revision of the organizational structure, ii) re-engineering the major business process to improve the quality of service, iii) HR development plan and iv) internal and external coordination. The findings were shared with MoLSA during an in-person meeting that took place in June 2022.

- **Standards operating procedures manual on monitoring and follow up** was developed in close consultation with MoLSA's relevant staff. This will be used by the two targeted sections. The SOPs will help these two sections to ensure common and effective monitoring on the businesses that received loans and/or business incubation services from MoLSA. They were conducted through participative approach where different levels of MoLSA's management were consulted and contributed. The institutional capacity assessment aimed to assess strengths, gaps, opportunities of improvement and capacity needs and response. The SOPs aimed to document the current processes for supporting and monitoring small enterprises through the two sections and present suggestions for improving the effectiveness and efficiency of service delivery, while focusing on monitoring the small enterprises that receive support from MoLSA. The SOPs were approved by MoLSA.
- Completed **seven capacity building programmes**, attended by 272 MoLSA employees (218 men and 54 women) from the two targeted sections. During the reporting period, 23 out of the 25 trainees (4 women) who attended the course "Training of Trainers (ToT): Preparation of Feasibility Studies for Small Businesses" passed the international certification test for Training of Trainers by ActionCOACH.

The project maintained **effective mainstreaming of gender equality and women participation** through awareness sessions, giving equal opportunities to both sexes, and encouraging the participation of women through consultations with community leaders in the region. The project actively engaged women representatives and women's organisations during community outreach, focus group discussion, key informant interviews, roll-out of assessments and analyses. Affirmative actions during registration, beneficiary selection and activity implementation were put in place to ensure inclusion of women. Actions like mobile registration to reach out to women who were unable to access online registration and conducting more outreaches where women turnout was very low. During assessment of applicants, women were awarded more points to get them to a levelled ground with their male counterparts. Additionally, childcare services were provided during trainings and special attention was paid to place women in locations, tasks, and groups they were comfortable working in. Responsible Parties set apart a proportion for women employees to create a conducive environment for interaction with project beneficiaries. All these efforts resulted in 38.3% women participation in all livelihoods support interventions.

While there was no reasonable accommodation put in place for People with Disability (PWDs) to fully participate like their counterparts without disability, the project recognised and paid special attention to inclusion of PWDs during beneficiary selection. This was through direct questions on one's disability status during prospective beneficiary profiling and awarding PWDs more points during beneficiary selection. Ultimately, 2,573 PWDs (11.6%) participated in project interventions.

The implementation process faced different challenges and barriers that impeded the timely completion of some activities and resulted in some timeline deviation against the work plans. The continued effect of the COVID-19 restrictions, Iraqi Dinar devaluation especially during 2021, frequent security incidents, belated approvals from the relevant authorities to start some cash for work activities, especially in schools are examples of the key challenges, and delay in renewal of the DNGO access letter.

Beneficiaries and stakeholder engagement

The project conducted its initial community engagement through local leaders' meetings to introduce the project and get endorsement. This included local authorities, religious leaders, local elders, and community committees. Key areas discussed included project objectives, key project interventions, intended target beneficiaries, selection criteria, youth, and women engagement. The outcome of these meetings gave a way forward on how to engage community members.

The project organized community outreach sessions targeting the most vulnerable people including Internally Displaced Persons, returnees and host community members. Female facilitators were engaged to facilitate female only community information sessions. During community engagement sessions, community committee members were engaged to further explain about the project. Among the key areas covered during community engagements was the beneficiary registration process that was paper based as well as online application. The session also covered the beneficiary selection process that uses an inclusive and participatory approach. On boarding process of beneficiaries that required signing an agreement between the project and each beneficiary was elaborated.

To complement community outreach sessions, the project used public announcements, social media, and local community representatives as key mobilizers, like Mukhtars, Mayors, women, youth, tribal leaders, local authorities to ensure vulnerable populations are reached. The project established different community committees and action groups specialized in specific thematic area, like Women Committee, Persons with disability Committee, Men Committee among others for meaningful engagement of different groups of people. In areas where there was low turn up women, a door-to-door strategy was adopted to register women and young people who had not accessed application forms.

Furthermore, community members were engaged in the process of designing interventions that best suit their needs through Rapid Market Assessments and Value Chain Analysis. During this process that engages men, women, youth, PWDs and other vulnerable people, community challenges and gaps were identified. Community members proposed ways to solve these challenges by prioritizing value chains that would best

improve their livelihoods and had opportunity for growth. Areas that needed skilling of labour were also identified. Thus, project interventions were based on the overall findings of RMAs and VCA.

The project put in place a mechanism that provides the beneficiaries and local community members with a platform to send feedback and complains to the project management. This mechanism included a hot line number and a box placed in an accessible location for all people. In addition, the project communicated with the beneficiaries through the Iraq Information Centre (IIC) Hot Number to send their feedback and complains.

Beneficiaries were also engaged through Third Party Monitoring by conducting surveys on beneficiary satisfaction and consumption, Cash Distribution, Training, and CfW monitoring and tracking. In addition, beneficiaries were engaged regularly during project implementation through FGDs to share their experiences and challenges. Ultimately qualitative and quantitative data collected was analyzed and redress of issues arising was sought. This improved the quality of project implementation and yielded high level of beneficiary satisfaction of over 90% in all districts according to impact assessment findings.

Progress on construction or rehabilitation works (for infrastructure component of the project)

As described in the Executive Summary, the project did the light rehabilitation for 280 community infrastructure. Infrastructure assets were selected based on the community's suggestions as well as the consultation with the local authorities. During the rehabilitation, the progress was shared with the community, some of the infrastructure's rehabilitation was pivoted based on the community's need. For example, in Heet, the project started the school rehabilitation based on the recommendation from the Department of Education and the community committee and the during the implementation the project identified the need of the school desk and chairs repairs. After the coordination with DOE and the support from the DOC, the plan was devised to repair old and damaged school desks, chairs, stools through the welding and carpentry work. As a result, project rehabilitated 14 schools as well as 2,681 desks and chairs and it is handed over to the DOE. After three months of the project completion, the rehabilitated schools and desks and chairs are still in use by students.



“It was one of the most positive projects for students and society. It helped many people integrate into society, and the great benefit was for women. The project helped a lot of girls depend on themselves and open private projects, and this is what made them excited to give their best. It's really a great job”.

Nuha Ahmed Najem, Headmaster of a Alliwa Primary School in Heet.

Do-no-harm and peacebuilding (plus annex “updated FCV matrix”)

The project adopted a conflict-sensitive and Do-No-Harm approach throughout implementation to avoid exacerbating social tensions and to enhance social cohesion and peace-building practices. For instance, beneficiary selection was conducted with inclusivity and transparency based on a clear set of selection criteria that were developed to prioritize the selection of the most vulnerable and poor people of IDPs, returnees, and host communities.

The project also applied inclusive community outreach where different tools and approaches, such as public announcement, social media, and meetings with local community representatives, like Mukhtars, Mayors, women, youth, tribal leaders, local authorities, among others were applied. For wider community engagement to further ensure do-no-harm approach, the project established different community committees and action groups specialized in specific thematic area, like Women Committee, Persons with disability Committee, Men Committee among others.

Through the Cash for Work, the project rehabilitated 35 parks, this contributed to the community well-being and peacebuilding. The public parks offered green and safe places for families and their children to socialize. The value of CfW methodologies used included the support provided to vulnerable households for meeting consumption needs and public efforts for reconstruction. Basic needs assistance provided through CfW opportunities to highly vulnerable households also supported beneficiaries to meet their basic needs without resorting to hazardous negative coping strategies. CfW for infrastructure

rehabilitation broadened the project's beneficiary base beyond the recipients of more resource-intensive sustainable livelihoods assistance, thus increasing community buy-in and off-setting risks of social tension.

The project also collaborated with the UNDP's Social Cohesion Field Officers, who work closely with the Local Peace Committees in some of the targeted areas in Anbar, Salah al-Din and Ninewa. The Officers provided support to ensure enhanced integration of conflict-sensitive approach throughout implementation (e.g., when selecting beneficiaries).

The project also implemented in Til Kaif and Tooz Khurmatou social cohesion and peace building activities. They aimed to strengthen social cohesion through a partnership with faith and community leaders as well as improving participatory community stakeholder participation. They focused on conflict analysis and identified civil society organizations and local actors to receive capacity building support in conflict prevention.

Social and environmental safeguards

The project included interventions that promote safeguards for the environment and society in the targeted areas. The project put in place transparent and inclusive selection criteria for the beneficiaries who will receive support to avoid inequitable or discriminatory adverse on the affected population. This also contributed to avoid or exacerbate conflict in the targeted areas. The project also provided occupational safety and health tools during the implementation of the cash for work projects and for some supported businesses (e.g., first aid kits, fire extinguishers). In relation to the gender equality and women empowerment, the project managed to achieve (38.3%, n=8,535) of women participation in all livelihoods support interventions. In relation to supporting natural resources conservation, the project implemented plantation activities through cash for work schemes and supported the establishment of green-oriented businesses (e.g., green houses) to contribute to climate change mitigation.

Visibility and development partner recognition

The project developed communication guidelines that took into account the donor and UNDP visibility requirements. These guidelines were shared with the responsible parties to ensure a common approach is in place for implementation visibility and communication activities. The future livelihood programmes should expand the communication and visibility tools through focusing on letter box videos and time-laps videos that are short

and more appealing for the targeted audience (e.g., the donors, local community members, and local authorities).

Sustainability & operation and maintenance

The project applied the following measures and arrangements for boosting the sustainability of support:

- **Rehabilitated infrastructures through cash for work schemes:** the project gave high attention to the consultation and engagement of the local community in identifying the infrastructures that need rehabilitation to foster ownership among the local community members. Moreover, the rehabilitated infrastructures were handed over to the relevant stakeholders (e.g., municipalities, local authorities) to continue taking care of these assets.
- **Cash for work beneficiaries:** According to an Exit Survey (n=590) conducted by TPM, 18.0% (n=106) CfW beneficiaries reported to have saved part of their income. Beneficiaries used these savings to establish more sustainable small income generating activities. This was achieved through the Life Skills Training offered to participants of CfW. The training included the financial planning and financial literacy course among other topics which enabled beneficiaries to manage their resources in a more sustainable manner.
- **Business support:** The post implementation assessment revealed that 97.2% of the overall businesses supported were found to be operational three months after the intervention. Of these, 15.2% had hired new employees while 92.9% reported increased household income. Given this reflection within a short timeframe, it shows that the project interventions will continue to contribute to sustainable livelihoods of not only beneficiaries but the communities at large through employment creation. This was achieved through the project design that incorporated business management training for the SME grants beneficiaries to improve knowledge and skills to manage their businesses sustainably. In addition, the project provided mentorship and coaching services for the supported business for continuity and sustainability. According to the post implementation assessment conducted, 54.5% (n= 134) of the 246 participants who reported to have received business mentorship reported having got confidence and encouragement. For those who are living in remote area, the project provided mobile business support services to support their business.
- **Vocational training:** 29.0% (n=102) of the vocational training beneficiaries had acquired long- term employments reflecting sustainability of the intervention. The project

facilitated employment creation through job fair and/or job linkage events. These events included equipping beneficiaries with soft skills like CV writing, interview skills and provided a platform for meeting with private sector business owners and suppliers.

- Capacity building for MoLSA's relevant staff and development of SOPs on how to monitor and follow up small businesses received support through MoLSA. This contributed to enhancing the enabling environment for supporting small businesses through building the capacity of MoLSA's relevant departments (Micro Credit Fund Section and Business Incubators).

Chapter 5. Risks, challenges, and mitigation measures

Risk	Probability (low/med/high)	Mitigation strategy	Risk influence (low/med/high)
Contextual Risks: Risks of state failure, return to conflict, development failure, humanitarian crisis. Factors over which external actors have limited control.			
Instability and Security Issues.	Medium	The project kept abreast of security threats and adapted to changing circumstances, inclusively. In addition, the project initiated acceleration work plans to maintain the implementation of project activities.	Medium
General economic challenges which put pressure on creating new/sustainable jobs opportunities in the labour market	High	The identification of potential promising economic sectors/activities was done based on labour market assessments.	High
Programmatic risks: Risk of failure to achieve Project aims and objectives. Risk of causing harm through intervention.			
Target populations, particularly women, are unwilling to engage in activities	Medium	The project outreached to the women in the community representative groups to facilitate discussions and strategies about greater women's inclusion; (ii) Engagement with community leaders and male heads of	Medium

		households to encourage buy-in; (iii) Selection of activities under cash for work that are relevant to women’s skill sets; (iv) Offer of childcare facilities during trainings.	
SME grants are not utilized for business purposes.	Medium	Beneficiaries applying for business grants were required to submit a business plan showing how they plan to utilize the grant they received. The project followed up through monitoring and activities, as well as disbursing the grants through instalments.	Medium
Institutional risks: Risks to the Fund/ Implementing Partner, e.g., security, fiduciary failure, reputational loss, domestic political damage.			
Fraud or corruption during cash or grant distribution	Medium	The project utilized a Mobile Transfer Agency (MTA) with the aim to mitigate the risk of beneficiaries being taken advantage of or manipulated by intermediaries.	Medium
Community tensions due to the selection of beneficiaries	Medium	With transparent engagement with communities, the project reviewed the selection criteria and	Medium

		vulnerability criteria for the selection of beneficiaries; clear communication with the local authorities to explain the selection.	
Financing terrorist groups	Low	The risk of financing terrorist organizations and individuals is minimal, but the project vetted the list of beneficiaries against the UN sanction list.	Low
Risk to staff security: Risk of Project staff being killed, abducted, injured, or otherwise harmed by working in a hazardous environment.			
Staff Security and access during the monitoring visit	High	During the implementation the Shirqat and Muqdadiya had high security treat, thus the staff followed the extra measures implemented by the UNDSS during the monitoring visits.	High

Chapter 6. Budget report and time schedule

Timeline adjustments were required to successfully complete all activities, and a No-Cost Extension was submitted and approved in 2021, extending the project end from 31 December 2021 to 30 September 2022. The timeline deviation was required to ensure due diligence for successful activity implementation via responsible party agreements, as the contracting process took more time than initially anticipated due to VODI-19 related restrictions in 2020.

The project was able to meet and deliver within the amended agreement budget approved in 2021. Nonetheless, a cost variance was experienced under output 4 “enabling environment for the Ministry of Labour and Social Affairs improved to support small enterprises and labour market”, due to additional trainings targeting MoLSA staff and significantly higher bids from service providers. The deviation was communicated to KFW and the extra cost covered by savings realized from other project outputs.

An additional No-Cost Extension was submitted and approved, extending the project from 30 September 2022 to 30 June 2023. US\$ 130,696.32 were committed to conduct the final evaluation of the project. At the time of writing, the procurement process was underway, and the final evaluation expected to be finalized by the end date of the Agreement.

Chapter 7. Lessons learned and future plans

1. The design of future livelihoods programmes should follow sustainability-based approach (Graduation Approach). This can be achieved through providing each beneficiary with either demand-driven vocational training or business support packages. In case of cash for work activities, they should be followed with access to business or vocational training since the CFW approach is short-term by nature.
2. The design of future livelihoods programmes should include upstream support (e.g., it should work on capacity of the key national and local stakeholder for fostering the sustainability of support).
3. Identification of cash for work schemes should be done at the formulation stage and getting the necessary approvals beforehand to save time and enable timely completion.
4. Emphasis on proper assessment for each business needs (e.g., assets, skills development, mentorship on specialized topics) should be done before granting.
5. Cash for work schemes should be diversified to include non-labour-intensive activities (rehabilitation works), but it should be more responsive to community needs other than rehabilitation (e.g., literacy courses for children, medical campaigns on chronic diseases among others that could increase women participation).
6. Enhance engagement of youth and local community in identifying, prioritizing, and implementing the cash for work programmes. This could support sustainability and longer-term impact.
7. Capacity training (e.g., vocational training, business training) should include topics related to Occupational Safety (OSH) and First Aid Kit.
8. For the sustainability of the Vocational Training, small grants for those who graduated from the Vocational training can be help the graduates to start their own business from the learning the acquired.
9. Further focus on the integration of decent work conditions, especially for the cash for work beneficiaries. This can be attainable through for example providing insurance against work injuries through a third party (private sector).
10. There is a close positive relationship between CfW interventions, Business support and Vocational skills development. Integration of the three interventions enhances

achievement of sustainable livelihoods and economic recovery. Income from CfW wages increases beneficiaries' disposable income and purchasing power providing market to the supported business startups and scales up. Rehabilitation of infrastructure through CfW provides a favorable environment for business flourishing. While vocational skills development provides the needed skills for the established and expanding businesses.

11. Project planning: Improve project scheduling drawing a clear picture of the Work Breakdown Structure (WBS) for clarity of tasks involved in each activity. This will aid in having a grip on the project's critical path enabling prioritizing activities with a longer duration for efficiency. Embedding activities on a seasonal calendar to clearly understand when to and when not to schedule activities. For instance, school times, extreme winter, extreme summer, peak agricultural seasons, etc. This will not only improve UNDP's target setting but also enhance achievements of results. For instance, while interventions of business grants and vocational training seemed to take less time of direct tasks, they needed more time for mentorship and linkage to employment in order to achieve the desired results. Besides, Many of the CfW projects selected depend on school calendar which had not been planned.
12. Budgeting: Need for proper budgeting for all interventions including crosscutting issues. For instance, CfW activities required budgeting for technical personnel, material, and tools. Besides, the project needed to include costs for women inclusion and reasonable accommodation for PWDs.
13. CfW Sustainability: A need to focus more on CfW projects sustainability by including more sustainable activities for instance support to municipality to continue with maintenance of rehabilitated infrastructure; including more vocational, financial, and technical topics in CfW beneficiary trainings.
14. Focused Business Support: A need to plan Business Management Training at sub sector level to ensure training duration is optimally utilized to meet each participant's needs. Targeting for Business Management training should be higher than the intended grant beneficiaries and this should be reflected in budgeting to allow sieve out viable business proposals after the training adjustments by prospective beneficiaries. Plan for adequate mentorship and coaching duration with clearly set performance indicators for mentees. A need to draw a clear demarcation between scale up and asset replacement grants with separate requirements.

Annexes

Annex A. Project pictures

Output 1. Livelihood opportunities created in the target locations



Women participate in a vocational training course on cooking in Sheikhan, Ninewa.



Beneficiaries are trained in PVC in Heet, Anbar.



A woman beneficiary during her practical training with the Toyota dealer in Dohuk.



Participants from the course in car mechanics take part in a practical training session, Erbil Toyota Training Centre.



A male beneficiary in Tikrit (left) and a female beneficiary in Heet (right) receiving mentorship support.

Output 2. Entrepreneurship promoted among beneficiaries



One of the start-up businesses (barber shop) in Shirqat, Salah al-Din.

Beneficiaries are participating in the business management training in Heet, Anbar.

Output 3. Opportunities for local employment created in target locations



Construction of cattle washbasins (basins used to submerge animals in order to wash and sanitize them) in Al-Baghdadi sub-district, Anbar.



Cash for Work Green belt rehabilitation in Tikrit, Salah al-Din.



Park rehabilitation in Al Khalis, Diyala.



School Desk and Chair rehabilitation in Heet, Anbar.

Output 4. Enabling environment for the Ministry of Labour and Social Affairs improved to support small enterprise and labour market



MOLSA employees are participating in the accreditation training.



Several MOLSA who successfully graduated from the accreditation training.

Annex B. Budget report

Enclosed.