Decent Work Country Programme

Iraq: Recovery and Reform

2019-2023
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The Iraq Decent Work Country Programme (DWCP1) for 2019–2023 sets out the common commitment of the Government of Iraq, workers’ and employers’ organizations and the International Labour Organization (ILO) to promote Decent Work. The ILO has a longstanding programme of cooperation with its constituents in Iraq dating back to 1995.

The DWCP for 2019-2023 marks the comprehensive re-engagement of the ILO in Iraq and establishes a firm commitment between all partners to ensure that Decent Work is at the heart of Iraq’s recovery and reform processes, identifying three areas of priority

1) Jobs: Ensuring that private sector development supports much-needed creation of new jobs
2) Protection: Reducing vulnerabilities in Iraq through extension and strengthening of social protection, and an effective framework to address child labour
3) Governance: Strengthening labour market in order to promote the realisation of Fundamental Principles and Rights at Work through improved social dialogue mechanisms

Through the Iraq DWCP 2019–2023, the ILO will work in close partnership with the Government of Iraq, including the Kurdistan Regional Government (KRG), and Iraqi social partners to address the jobs crisis which Iraq faces.

The ILO’s approach in Iraq also reflects the development of a ‘new generation’ of DWCPs, seeking to leverage partnerships to achieve real change and to more closely align to both national and international development goals. Activities and results identified in the DWCP are predicated on clear theories of changes, developed in consort with Iraqi constituents.

The development of the Iraq DWCP (2019-2023) began with the simultaneous piloting of an ILO Evaluability Diagnostic Instrument (EDI). Through this tool, a rapid assessment was undertaken to gain insight into country-level readiness to implement, monitor and evaluate the SDGs’ and the constituents’ capacity needs and gaps on SDG-related monitoring and evaluation. The findings of this assessment were considered in the development of the Iraq DWCP (2019-2023) as part of a strategy to improve the national capacity to monitor and report on the progress and achievement of Sustainable Development Goals.

Specifically, the priorities of the DWCP are based on Iraq’s national priorities articulated in the Iraq Vision 2030 and the National Development Plan for 2018-2022, as well as the specific priorities established in the Reconstruction Framework for 2018-2027, the Private Sector Development Plan 2014-2030 and the Strategy for the Reduction of Poverty in Iraq 2018 – 2022.

The Iraq DWCP is also purposefully to be designed to integrate and find synergies within the 2020-2024 UNDAF Framework which will guide the activities and priorities of the entire UN Family in Iraq. The 2030 Agenda for Sustainable Development, with its commitment to the human rights agenda and the core programming principle to leave no one behind, is central to the Iraq DWCP (2019-2023).

1 Decent Work Country Programmes are the main vehicle for delivery of ILO support to countries and they have two basic objectives: first, to promote decent work and its normative framework as a key component of national development strategies; second, to organise ILO knowledge, instruments, advocacy and cooperation at the service of tripartite constituents in a results-based framework to advance the decent work agenda.
II. Country Context

An upper-middle income country with widespread poverty

Iraq is classified as an upper-middle income country, but the increase in violence and conflict from 2014 and concurrent downturn in the macro-economy served to imperil livelihoods, increase poverty, and contribute to vulnerability. The national poverty rate increased from 18.9% in 2012 to an estimated 22.5% in 2014 (World Bank, 2018d). UN OCHA reports that 6.7 million people in Iraq are in need of humanitarian assistance as at September 2018, of which 3.3 million are women (UN OCHA, 2018). UNDP (HDI) indicates that 31.6% of the Iraqi workforce are defined as ‘working poor’ – that is, earning at or under PPP$3.10 a day (UNDP, 2018).

Protracted violence and the conflict with Daesh have also spawned a large population of internally displaced persons (IDPs), adding to earlier waves of internal displacement resulting from conflicts of the past decades. In 2018, around 2 million Iraqis were IDPs; Iraq also hosts a refugee population of some 250,000 Syrian refugees (UN OCHA, 2018).

Iraq’s economic outlook is gradually improving following the deep economic strains of the last three years. The Kurdistan Region of Iraq (KRI) has experienced financial crisis since 2014. Falling oil prices, the cost of fighting Daesh and sheltering displaced people have seen KRG accumulate significant debt. With oil accounting for 86% of national revenue in 2017 (World Bank, 2018b; MoP, 2018), growth remains dependent on the oil sector’s performance. Rising oil prices create greater fiscal space for Iraq to finance reconstruction, at the risk of decreasing immediate incentives to diversify.

Post-conflict recovery will likely remain the driving force of the non-oil economy in the coming years. The World Bank estimates the needs of reconstruction at US$88 billion (World Bank, 2018c). The outlook is expected to improve considerably due to higher oil prices and the improving security situation. Overall GDP growth is projected to accelerate to 6.2% in 2019, compared to 1.9% in 2018, sustained by higher oil production (World Bank, 2018b). While the oil economy represents well over half of GDP, it produces only about 1% of total employment and has few links to non-oil activities (World Bank, 2018b). Despite reform initiatives, the economy remains largely dependent on oil revenues, which – without significant private sector development – continue to fund a public sector marked by low levels of productivity (World Bank, 2018b).
A federalist state moving towards decentralisation and good governance

Iraq is diverse in ethnic, religious and regional terms. The country encompasses 18 federally administered governorates and the Kurdistan Region of Iraq (KRI), comprised of three governorates, governed by the Kurdistan Regional Government (KRG). This DWCP is a programme for the whole of Iraq, while taking into consideration regional specificities in planning and implementation. Therefore, unless specified otherwise, reference to Iraq in this document encompasses KRI as well as federally administered regions.

The 2005 Constitution provides for a federalist state. The Iraqi parliament passed a Provincial Powers Law in 2008 – revised in 2013 – to devolve the functions of six ministries to the governorates. Many functions have now been decentralised – MOLSA, for instance, has established Labour and Social Assistance Departments (LSADs) in each governorate, which report to the governorate and coordinate closely with the Ministry. However, in the absence of capacity, coordination and clear allocation of responsibilities, the status of the decentralisation programme constitutes an important contextual factor for ILO planning. Good governance remains a key challenge for Iraq. The National Development Plan 2018 – 2022 notes the need to improve ‘the degree of integrity and transparency and reduce administrative and financial corruption.’

III. Priority 1 – Jobs

Priority 1: Job creation and private sector development

In summary:

Iraq faces a job crisis. After years of conflict, the country has one of the lowest employment-to-population ratios in the region. Unemployment is particularly high among women, youth and displaced communities. Limited growth in the private sector is a key barrier to large-scale job creation, exacerbated by a vocational training system in need of reform. Policy development is stymied by lack of comprehensive and up-to-date labour market data.

Job creation is a crucial development vector for Iraq, and the private sector will be the source of new jobs. ILO’s mandate is to achieve decent work for all: in private and public sectors. ILO will work with its partners to ensure that reconstruction efforts provide access to decent and longer-term income-generating and employment opportunities, including for the most vulnerable. Targeted support for Iraqi entrepreneurs and MSMEs will contribute to job-rich economic growth. Effective and evidence-based policies will support sustainable employment outcomes.

Contextual analysis

Iraq faces a jobs crisis

Iraq has one of the lowest employment-to-total population ratios in the region, even among men, and the 2014 crisis has led to an estimated reduction in employment by 800,000. Labour force participation is estimated at 49% for federally-administered Iraq (ILO, 2017) and 40% for KRI (KRSO, 2018). Female labour force participation in Iraq is particularly low, estimated at 20% (ILO, 2017).

Of an estimated working age population of 20 million in Iraq, at least 2.5 million are unemployed
In particular, the unemployment rate in KRI has increased from 6.5% prior to the Daesh conflict to 14% in 2016, largely due to the influx of IDPs and refugees (World Bank, 2018d). In addition, almost a quarter of the working-age population is underutilised – namely, either unemployed or underemployed (World Bank, 2018b). Iraqi women who do participate in the labour market are also more likely to be unemployed, under-employed or employed in part-time jobs (World Bank, 2018).

Iraq lays claim to one of the youngest populations in the world: nearly 60% of Iraqis are under the age of 25 and the working age population is projected to increase by 54%, from 20 in 2015 to 32 million by 2030 (World Bank, 2018). With this abundance in human resources comes the challenge of creating a sufficient number of decent and productive job opportunities. Moreover, job pressures are not simply of economic consequence: future peace and cohesion also rely on re-establishing a social contract whereby Iraqis can sustain themselves through gainful employment. Prospects for employment creation are a litmus test for the progress of this social contract.

Youth and women are particularly likely to be jobless

Compared to the national unemployment rate of 16%, youth unemployment stands at around 36% (World Bank, 2018). The youth participation rate (15-24 years) has declined from 52.5% to 34% since 2014 (World Bank, 2018a; ILO, 2017). Youth under-employment – defined as working fewer than 35 hours per week – is estimated to be 28% (MoP, 2018). Low levels of human capital constrain young Iraqis from engaging in productive activities. Of seven million Iraqi young women and men, over 3.4 million are out of school. Around 33% of young Iraqis (aged 15-29) are illiterate or semi-literate, 33% have completed primary school, 28% have finished middle or high school, and only 7% have completed post-secondary education (World Bank, 2017). As a result, many young Iraqis lack the skills necessary to find a job in a fragile, post-conflict economy.

Female labour force participation in Iraq, estimated at 20%, is low (ILO, 2017). Iraqi women who do participate in the labour market are also more likely to be unemployed, under-employed or employed in part-time jobs (World Bank, 2018). Young women appear to be facing particular challenges in finding employment: In 2016, 65% of young women were unemployed compared to 32% of young men (World Bank, 2018). In KRI, the unemployment rate for young women aged 15 to 24 reached 69% (World Bank, 2018b).

Although a gradual shift can be perceived, Iraqi women tend to be constrained in their access to employment. Women with low levels of education and skills are often self-employed and concentrated in private sector activities. These are usually informal, low-paying jobs with almost no access to benefits such as health insurance, maternity leave, or pensions, and without effective legal protections. Women’s participation in the agriculture sector increased from 30% to 50% between 1980 and 2010 (World Bank, 2017). In turn, and similar to other countries in the region, women are well-represented in public sector employment, although few are in senior or decision-making decisions (World Bank, 2018). Better benefits, including maternity protection, and higher degrees of job security are among
the factors that contribute to a preference for public sector employment, especially for women with higher levels of education.

**Access to adequate job opportunities remains of fundamental significance to IDPs**

IDPs have been impacted by multiple adverse shocks: they have lost much of their wealth through destruction of assets; they have experienced higher rates of death, illness and injury in their direct households; and they have faced loss of jobs or businesses. Some IDPs have lost access to the Public Distribution System (PDS). While 80% of IDPs and 63% of returnees identify access to employment as one of their top three needs (IOM, 2017a), reliable data on IDPs' employment is difficult to obtain. Some sources, however, suggest that a majority of IDPs are unemployed with figures as high as 95% across Ninewa, Qadissiya, Erbil, Anbar and Missan (IOM, 2017a).

Time spent outside the formal labour market has created barriers to employment access for IDPs, since skills are unused and qualifications become outdated. Displaced persons have typically moved to urban areas (87%) even if they came from less urban areas (IOM, 2017). This presents a challenge for former agricultural workers in particular, due to a lack of employment prospects for those with agricultural skills, and the inaccessibility of, or damage to, their former land, storage and livestock (IOM, 2017).

**Limited growth in the private sector is a direct impediment to large-scale employment creation**

The need for private sector development to respond to the job crisis is recognised in the Iraqi government’s Private Sector Development Strategy 2014–2030, which attempts to stimulate growth and create jobs through diversifying the private sector and promoting investment. The National Development Plan 2018–2022, too, envisages a rise of the share of private capital by 2022 but recognises that public investment is likely to still play a large role, and a role that is not limited to the oil sector.

Yet, the private sector remains relatively small, largely informal, and does not currently realise its full potential for income and employment generation. The World Bank reports that nearly two-thirds of workers in Iraq are likely to have informal jobs with no statutory protections or social security benefits, largely occurring in informal enterprises (World Bank, 2017, 2018). Moreover, years of conflict and unrest have quashed the entrepreneurial initiative of many Iraqis. A poor business environment, a weak financial system, the absence of relevant support services and the lack of a diversified and competitive economy has made it difficult for (M)SMEs to start-up, operate and grow. Local firms struggle to become competitive within national and international markets and an abundance of cheap imports combined with low levels of investment have stymied the development of nascent domestic activities.

**Human capital embedded in practical technical and vocational skills has been depleted**

Reconstruction and recovery will create demand for relevant skills – in basic utilities, infrastructure and construction, as well as transport – which will likely grow as reconstruction gains speed and scale. However, these opportunities remain out of reach for the many young Iraqis who lack the most basic training. While longer-term policies and investments are required immediately, there is also a need for approaches to serve the pressing need to train unskilled Iraqis in the short term in skills that will be in high demand during reconstruction and beyond. There is a clear and recognised need to improve the quality, relevance and responsiveness of the TVET system to the needs of the labour market, including all social partners, and transform TVET as a key driver for Iraq’s economic growth, increased employment and improved social cohesion.
Employment of non-nationals in Iraq

It is estimated that there are some 200,000 non-nationals working in Iraq, in addition to around 250,000 Syrian refugees residing for the most part in KRI. An estimated 140,000 migrant workers are in an irregular situation, many of whom have entered the country through exploitative recruitment practices. National regulations have defined parameters for ‘local content’ in external investment: under the 2015 amended National Investment Law, foreign workers may be hired for investment projects, where required, after priority has been given to Iraqi workers; National Investment Regulation No. 2 of 2009, stipulates that at least 50% of an investment project’s workers must be Iraqi nationals.

Summary Theory of Change – Priority 1

Consistent with the Common Strategy of the UNCT/World Bank Working Group on Jobs and Livelihoods, the Iraq DWCP Priority 1 on jobs lays out the ILO role at three levels of change pathways, corresponding to varying time horizons:

1) Short-term Emergency Employment Interventions – focusing on the ILO role in enhancing labour-intensive (EIIP+) approaches to reconstruction and rehabilitation while contributing to the development of market-relevant skills including entrepreneurship (reflected in Outcome 1.1)

2) Medium-term Local Economic Recovery – focusing on (M)SME development to spur private sector growth which can create and sustain new jobs, and graduation strategies from short-term emergency employment (reflected in Outcome 1.2)

3) Long-term Employment Creation and Inclusive Economic Growth – focusing on ILO support for the development of the evidence base necessary to inform the development of a coherent, forward-facing National Employment Policy (reflected in Outcome 1.3)
Outcomes

Outcome 1.1: Reconstruction and recovery efforts create opportunities for decent work, development of market-relevant skills and enterprise development

Indicator 1.1.1: Increased number of livelihood opportunities in target areas (especially among IDPs, women and youth)
Indicator 1.1.2: Increased number of skilled workers to meet market demand resulting from reconstruction investments (especially IDPs, women and youth)
Indicator 1.1.3: Increased number of workers (especially IDPs, women and youth) who benefit from sustained employment opportunities in target areas

Alignment with SDGs

| 1.1 Eradicate extreme poverty; 1.2 Reduce poverty | 2.3 Rural employment | 4.3 Equal access to TVET; 4.4 Relevant skills for employment; 4.5 Gender disparities in access to TVET | 8.2 Focus on labour-intensive sectors; 8.3 Policies that support decent jobs; 8.5 Full and productive employment; 8.6 NEETs; 8.8 Protect labour rights | 9.2 Industrial employment | 10.3 Ensure equal opportunity and reduce inequalities of outcome |

Alignment with national development priorities

- **National Development Plan 2018-2022**
  - Workforce Objective 1 (unemployment)
  - Private Sector Objective 3 (SME development)
  - Reconstruction and Development Objectives 2 (infrastructure)
  - Poverty Alleviation Objectives 1 (sustainable income) and 6 (IDPs and returnees)
  - Education and Learning Objectives 1 (enrolment), 6 (vocational training)
  - Women Objective 2 (economic empowerment)

- **Private Sector Development Strategy 2014-2030**
- **National Reconstruction Framework 2018-2027**
- **National TVET Strategy 2014-2023**

Proposed activities to achieve Outcome 1.1

As Iraq pivots from early recovery to reconstruction, priority has to be given not only to the creation of income-generating opportunities targeting immediate livelihoods, but also more sustainable and decent employment outcomes. Investments in reconstruction and rehabilitation activities should be optimised to spur decent job creation and the development of market-relevant skills, including entrepreneurial skills, which can sustain livelihoods beyond the immediate reconstruction phase.
This approach is consistent with a broader rationale for ILO to re-engage in Iraq through practical activities focused on Iraqi workplaces: in particular, initial activities on skills development will be focused on a ‘ground-up’ approach, testing and refining practical approaches before scaling up and supporting policy dialogue at the national level. Practical approaches are required to serve the pressing need to train unskilled Iraqis in the short term in skills that will be in high demand during reconstruction and beyond. ILO can help bridge this gap by integrating the development of in-demand skills including entrepreneurship into employment-intensive reconstruction programmes, including through competency-based approaches to training.

1.1.1 Piloting EIIP++ in targeted governorates

ILOs EIIP (Employment-Intensive Investment Programme) based approach provides a valuable framework, centring around a more integrated, longer-term vision of employment seeking to activate local labour markets and sustain quality employment and skills-development opportunities beyond the timeline of punctual interventions. EIIP++ - which encompasses a range of activities from both immediate and decent job creation through to graduation pathways to sustainable livelihoods – will be a primary entry point for the ILO to support immediate employment creation while helping to enhance workers’ skills, promote and formalize small businesses and support national vocational training and certification systems. ILO will do so by linking EIIP interventions at the local level with interventions that enhance employability in the medium and long term, building in a ‘graduation process’ to sustainable job creation through enterprise development, national employment services including career counseling centers and online job search, skills training, recognition of prior learning and certification programs.

In close coordination with other UN agencies, ILO will implement EIIP approaches in projects in a defined number of governorates which require priority attention regarding reconstruction efforts, including those identified by the Iraqi government and KRG, in order to integrate a labour-intensive approach and compliance model supporting decent work principles for IDPs, refugees, returnees and host communities. Regional and sectoral targeting will be based on a mapping of employment creation projects implemented by different agencies in geographical areas where IDPs report the greatest livelihoods challenges. Decent work compliance challenges will be identified through a compliance assessment in the construction and agriculture sector in the areas of child labour, forced labour, OSH and social protection, non-discrimination and equal opportunity, social security, collective bargaining, wages and working hours and contracts.

1.1.2 Developing and implementing skills-based ‘graduation strategies’ from short-term employment generation initiatives, supported by Employment Service Centres

Key to the longer-term impact of employment generation activities in the context of recovery and reconstruction is the identification and implementation of graduation strategies for participants, which can enable beneficiaries to access opportunities beyond the project timeframe. These will include a focus on the development of skills relevant both to emergency employment programming and to longer-term income-generation opportunities, the provision of job-matching and employment services tailored to the needs of vulnerable populations which will include vulnerable women and
IDPs, the provision of entrepreneurship training and the creation of linkages with financial service providers foreseen under Outcome 2.1.

ILO will assess the employment service needs taking into account the unique needs of IDPs, refugees, host communities and female workers, as well as the current provision of employment services. In light of this assessment, the ILO will work to expand the outreach of existing public and private employment services to vulnerable groups through targeted pilots.

ILO will also design a demand driven, on-the-job training, vocational training and recognition of prior learning methodology, which contribute to improved living conditions of the poor and the most vulnerable youth and women by providing them with alternative and sustainable livelihood opportunities as a basis for restoring stability and economic recovery in Iraq. ILO will implement this methodology in targeted projects. This methodology will contribute to the implementation of Iraq TVET Strategy, and rely on national standards where available. The ILO will also build the capacity of training providers to implement a competency-based approach to training and testing. Whenever possible, the certificates provided by the trainees will be national ones. On-The-Job Training will be designed taking into account good practices established in the ILO Global Toolkit on Apprenticeship.

### Outcome 1.2: The job creation potential of MSMEs in high-potential sectors is increased, and their operating environment is enhanced

**Indicator 1.2.1:** Capacity of Iraqi business development service providers built and operational, with a focus on youth.

**Indicator 1.2.2:** Access to finance for Iraqi youth is enhanced through financial literacy and inclusion.

**Indicator 1.2.3:** Operationalization of the private sector strategy with capacity of related Iraqi social partners built, SME data collection enhanced and SME-conducive legislation drafted.

### Alignment with SDGs

| SDGs | 1.1 Eradicate extreme poverty; 1.2 Reduce poverty; 1.3 Social protections systems; 1.4 Access to financial services | 4.3 Equal access to TVET; 4.4 Relevant skills for employment; 4.5 Gender disparities in access to TVET | 8.2 Focus on labour-intensive sectors; 8.5 Full and productive employment; 8.6 NEETs; 8.8 Protect labour rights; 8.10 Access to financial services | 9.2 Industrial employment; 9.3 Access to financial services and value chain integration | 10.3 Ensure equal opportunity and reduce inequalities of outcome |

### Alignment with national development priorities

- **National Development Plan 2018-2022**
  - Trade Policy Objectives 1 (competitiveness), 4 (national production) and 6 (agricultural and industrial production)
  - Workforce Objective 1 (unemployment)
  - Private Sector Objectives 1 (contribution of the private sector), 2 (business and investment environment) and 3 (SME development)
  - Reconstruction and Development Objectives 3 (sectoral economic activity)
  - Women Objectives 2 (economic empowerment) and 5 (private sector participation)

- **Private Sector Development Strategy 2014-2030**
- **National Reconstruction Framework 2018-2027**
Proposed activities to achieve Outcome 1.2

There is consensus among constituents about the pivotal role of the private sector in reviving the economy and providing decent job opportunities for Iraqis. The combined goals of job creation and local economic development can be served through MSME development in high-potential, productive sectors and including the promotion of a policy and legal framework that is conducive to private sector development and allows existing and new businesses to strive.

1.2.1 Providing Business Development Services (BDS) for business start-ups with a focus on youth

Currently, there is a lack of financial and other business development services that respond to the specific needs of Iraqi start-ups and entrepreneurs. In consultation with social partners, ILO’s contribution will focus on the development and delivery of tailored financial products to start-ups and existing MSMEs, including through capacitating key institutional partners and existing funds that struggle to reach start-ups and MSMEs. There is strong scope to investigate potential for combined loan and grant funding for young entrepreneurs in order to reduce collateral-related barriers to entry, followed up with continued training and support on entrepreneurship and financial literacy to make sure that start-ups mature and are able to compete in the domestic market.

1.2.2 Youth and women financial literacy and inclusion

Objectives on private sector and MSME development also intersect with a focus on the most vulnerable in Iraq where entrepreneurship training, business development and mentoring are specifically tailored to the needs of women, vulnerable youth and IDPs, including with regard to enhanced financial inclusion and mobility as well as women’s economic empowerment. Enhancing financial literacy and inclusion with a view to making self-employment a viable option for women in particular can help overcome structural barriers faced by women participating in the labour market and support women’s economic empowerment.

A programming focus on vulnerable groups also integrates with objectives on the improvement of social protection in Iraq under Priority 2 of this programme: by facilitating or supporting the enrolment of new and existing MSMEs in social security schemes as part of its own as well as other agencies’ programmes targeting entrepreneurship, ILO can not only contribute to providing more stable and sustainable economic opportunities for vulnerable groups but also to broader objectives of formalisation.

1.2.3 Establishing an SME-conducive environment and policy framework

In parallel, ILO will work at the policy level to support its social partners and other UN agencies and donors in creating an environment that is conducive to job-rich growth, private sector and SME development, in line with Iraq’s Private Sector Development Strategy 2014-2030. This includes, but is not limited to, protecting of national products, simplifying registration procedures and incentivising increasing local production, innovation and employment. In addition, and in order to realise MSMEs’ potential to act as effective agents of formalisation, ILO will ensure that strategies targeting private sector growth and quality job creation integrate with efforts to extend and strengthen social security in Iraq, thereby supporting MSMEs’ capacity to act as agents of formalisation and increasing the attractiveness of private sector employment.
### Outcome 1.3: Functioning labour market information systems enable evidence-based policy-making on employment

**Indicator 1.3.1:** Number of follow-up surveys conducted by statistical institutions  
**Indicator 1.3.2:** Number of thematic studies carried out to inform policy-making in defined areas of the Decent Work agenda  
**Indicator 1.3.3:** New National Employment Policy for Iraq drafted, with capacity of relevant Iraqi tripartite stakeholders built.

#### Alignment with SDGs

<table>
<thead>
<tr>
<th>SDG 8.3</th>
<th>SDG 10.3</th>
<th>SDG 17.14</th>
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<tbody>
<tr>
<td>Policies that support decent jobs; Full and productive employment; NEETs; Protect labour rights</td>
<td>Ensure equal opportunity and reduce inequalities of outcome and promoting appropriate legislation, policies; Wage and social protection policies, and progressively achieve greater equality</td>
<td>Policy coherence; Availability of high-quality, timely and reliable data; Support statistical capacity-building</td>
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#### Alignment with national development priorities

- **National Development Plan 2018-2022**  
  - Workforce Objectives 2 (HR planning framework) and 3 (demographic window)  
- **Private Sector Development Strategy 2014-2030**

### Proposed activities to achieve Outcome 1.3

There is broad consensus that the absence of up-to-date and accurate labour market data greatly impedes the effectiveness of both national and international actors in Iraq. Given the absolute centrality of jobs to the recovery agenda, this is a substantial information shortfall, and one which ILO is uniquely placed to fill.

1.3.1 **Conduct Labour Force Survey and enterprise survey for Iraq**

An integrated national Labour Force Survey (LFS) covering the entire Iraqi territory will enable the identification of key labour market needs and facilitate the development of both technical interventions and policy innovations, including the development of a National Employment Policy for Iraq. Based on a sample of around 14,000 households, the LFS will cover key labour force characteristics such as employment, unemployment and underemployment, and informality, establishing patterns by sector and activity. LFS results will be available at the national, district and urban/rural levels of disaggregation. By integrating the analysis of aspects such as migration status, gender or disability as well as by providing a special focus on youth – especially those not in employment, education or training (NEET) – the survey will be crucial in filling information gaps that are relevant well beyond ILO programming on employment. Moreover, once the initial survey is conducted and the capacity of the statistical institutions in Iraq enhanced, the LFS can be complemented with additional modules in the future in order to provide insights and inform gender-aware policy-making on a range of specific decent work issues, such as incomes and wages, social protection, or child labour.

Among these, the dearth of information on the private sector at enterprise level is particularly significant. Findings from the LFS will therefore be complemented by an establishment survey. Conduced in close partnership with ILO tripartite constituents, and conducted so as to build their
institutional competences, the establishment survey will help plug information shortfalls regarding the demand side of the labour market and provide insight on the skills needs of companies in different sectors and regions.

Given the scale of employment of non-nationals in Iraq, an additional study will also be conducted on the forms and conditions of recruitment and employment of migrant workers in Iraq.

1.3.2 Dissemination and policy dialogue based on LFS findings, resulting in National Employment Policy

The ILO-supported Labour Force Survey will serve to inform not only policy-makers but also the jobs efforts of ILO and other international agencies, for example by identifying sectoral and regional employment patterns and shedding light on the specific needs of women, youth and vulnerable groups, including displaced communities, people with disabilities, and migrant workers.

The LFS data will be particularly crucial for the ILO in supporting the development of a new National Employment Policy in Iraq. The policy development process will be highly participatory, bringing together a wide range of stakeholders involved directly or indirectly in employment creation, and including the Ministries of Labour and Social Affairs, Planning, Finance and other relevant sectoral ministries, the social partners, academia and other civil society groups. A central component of ILO support to the policy development process will be training and capacity building for the tripartite constituents at key stages of the process from the analysis of the new LFS data to the development of policy proposals. Women’s participation will be promoted in the development of new national policies, as well as in training and capacity building programs for constituents.

An employment diagnostic exercise will be first initiated to generate policy options and interventions, before drafting the policy document. The draft will then be discussed in technical as well as high-level tripartite validation workshops for agreement prior to submission for official adoption.
Partnerships to achieve objectives under DWCP Priority 1

<table>
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<th>Potential partner</th>
<th>Potential for partnership</th>
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<tr>
<td><strong>UNHCR</strong> focuses on the provision of shelter and livelihood improvements for communities at risk. There is potential for UNHCR and ILO to cooperate in the context of employment-intensive infrastructure and rehabilitation projects, as well as skills training, job matching and enterprise development where targeted at displaced communities.</td>
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<tr>
<td><strong>UN HABITAT</strong>’s Local Area Development Programme focuses on local governance and urban recovery in Mosul, Ramadi and Basra. ILO expertise could help in making such interventions more sustainable in terms of long-term employment outcomes and more effective with regard to the provision of decent jobs that meet international labour standards.</td>
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<td>The World Bank's USD 300m Social Fund for Development aims to improve living conditions of vulnerable populations by improving access to essential services and generating short-term employment opportunities in subprojects at community level (incl. in small-scale infrastructure projects), managed by MoP. Through its Emergency Social Stabilisation and Resilience Project (ESSRP), the World Bank provides short-term employment opportunities in liberated areas. ILO can support these efforts and facilitate sustainable and decent employment outcomes by contributing its expertise on EIIP.</td>
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<td>UNDP is working with the Ministry of Planning on reactivating the Private Sector Strategy. ILO’s expertise can help in ensuring that the policy, legal and instructional framework is conducive not only to private sector growth, but also helps businesses realise their employment potential and contribute to the creation of decent jobs. There is particularly strong scope for collaboration on institutionalisation of Business Development Services to support MSME development.</td>
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<tr>
<td>The lending and grant-based activities of the Central Bank of Iraq - and its Tamweel initiative in particular – represent important scope to collaborate on promoting an entrepreneurship culture, and supporting financial literacy and financial inclusion of youth, specifically including provision of BDS and coaching services for business start-ups.</td>
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<tr>
<td>UNESCO’s work in Iraq focuses on reforming the TVET system. There are strong synergies with ILO’s expertise in the areas of certification and training, recognition of prior learning and competency-based approaches that are responsive to the needs both of the Iraqi labour market and contribute to broader employment generation objectives.</td>
<td></td>
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IV. Priority 2 - Protection

Vulnerabilities in Iraq are reduced through extension and strengthening of social protection to fill coverage and adequacy gaps, and an effective framework to address child labour.

In summary:

The need for basic social protection in Iraq is acute in light of conflict, resultant shocks and loss of income. Much work is underway to enhance the effectiveness and coordination of existing schemes, but many of the most vulnerable remain underserved, IDPs and PWDs in particular. Equally, social insurance reforms remain under discussion, and there are important gains to be achieved in aligning and extending social insurance for private sector workers. Conflict and displacement have also taken their toll on young Iraqis: child labour is a reality in Iraq, including in its worst forms.

ILO will support the extension of social insurance for women and men in Iraq, also serving to boost private sector development in Iraq through (re-) allocation of Iraqi human capital – including women – toward the private sector, to promote equal opportunities therein, and to drive progressive formalisation of the labour market. ILO will support the establishment of a Social Protection Floor for Iraq. ILO is committed to ‘leaving no one behind’ and will focus direct protection activities on most-vulnerable groups, including IDPs, PWDs and specifically children at risk of (worst forms) of child labour.

Contextual analysis

The need for basic social protection is acute in light of conflict, resultant shocks and loss of income.

The Social Protection Law (Law 11 of 2014), came into effect in 2014, and established the Social Protection Commission to manage social assistance in Iraq. In addition, the Iraq Social Protection Strategic Roadmap developed in November 2014 aimed to have a comprehensive, integrated, and efficient social protection system for Iraq covering social safety nets, social insurance, and labour market policies. However, significant portions of the Iraqi population remain outside the coverage of either non-contributory or contributory schemes, including many of the most vulnerable. Analysis by UNICEF suggests that approximately 10% (or 3.3 million) individuals live in a household receiving one form of non-contributory social cash transfer (UNICEF, 2017a). Refugees and IDPs are notably underserved by social protection schemes and face various impediments when attempting to access basic health and social services (UN CESCR, 2015). An extremely limited number of IDPs (0.6% across all IDPs, according to estimates) were able to draw some form of government pension, albeit irregularly (IOM, 2017). Conflict also disrupted the PDS universal food subsidy system – in Anbar and Ninewa, two governorates particularly affected by Daesh occupation, 81% and 77% of the population (respectively) accessed food rations compared to a national average of 96.5% (UNICEF, 2017a).

Dual public-private social insurance system perpetuates inequalities

Iraq’s contributory social insurance system is composed of two funds: the state pension system (covering, inter alia, civil servants and employees in state-owned enterprises) are covered by Iraq’s social insurance system established by the Unified Pension Law No. 9 of 2014, which provides for pensions in case of old-age, disability and death. Benefits in case of sickness and maternity are provided directly to public sector employees by the administration, in accordance with the Civil Servants Law. Workers in the private sector are covered by Social Insurance under the Social Security Law No. 39 of 1971. Although the law provides for comprehensive social security benefits, including
for sickness and maternity, only the pensions system is currently accessible to private sector workers. Despite total expenditure on pensions accounting for around 4% of GDP (IMF, 2017), there are large coverage gaps, with only about 48% of the total labour force contributing to and covered by contributory social security systems (World Bank, 2018b). Workers in the informal economy, which accounts for a considerable share of private sector employment in Iraq, are not covered by any form of social insurance. Further, the dual public-private social insurance system perpetuates inequalities, fragments the labour market, is administratively costly, and limits labour market mobility due to lack of portability between funds (ILO, 2018). Reforms of the social security system, which would entail enhancement of protection for private sector workers and the provision of a minimum level of social insurance to persons employed in the informal sector, are currently under consideration by the Iraqi government, albeit facing resistance by different workers’ organizations.

Social assistance programmes do not always target the most vulnerable

There are different, and sometimes overlapping, tax-funded social assistance programmes in Iraq, the largest one being the Public Distribution System (PDS), a large-scale in-kind food subsidy programme. Because of universal targeting, the programme reaches almost all the poor; 99.4% of the poor receive PDS benefits (World Bank, 2018d). Conversely, it excludes only high-earning government employees. Delivery of an in-kind PDS is costly, with the public sector responsible for food procurement and supply chain management. This not only leads to market distortions in agriculture and the food markets, but also suppresses the size of the competitive agriculture and food market, and results in substantial leakage (Brown, 2018). As a result of almost universal coverage and high administrative costs, in 2018, spending on the PDS was approximately 2.3% of 2018 current expenditure (IMF, 2017).

The only national cash transfer system in Iraq is the Social Safety Net programme. A new poverty targeting programme was launched by MOLSA and Social Protection Commission (SPC) in 2016, with a budget of IQD 1.9 trillion. While the World Bank reports that the transition to the poverty targeted cash transfer has begun to yield results, the poverty targeting system can play a much larger role in improving the efficiency and sustainability of Iraq’s social safety net system when coupled with the Iraq National Unified Registry (INUR) (World Bank, 2018d). The Iraqi government is working with the World Bank to establish a framework through which the provision of cash transfer and operation of social safety net schemes by international agencies and non-governmental organisations can be more effectively coordinated. The Social Protection Roadmap 2015-2019, developed by Ministry of Labour and Social Affairs (MOLSA), provides a high-level strategic approach for the social protection agenda.
Child labour is a reality in Iraq, including in its worst forms

Years of conflict, displacement and destruction of infrastructure have increased the vulnerability of children in Iraq to child labour. According to the most recent UNICEF survey (MICS 6), around 7% of children between the ages of 5 and 17 were engaged in child labour in 2018, although this proportion differs based on sex, residence (i.e. rural or urban dwelling) and economic background (UNICEF, 2018). Gender and location differentials are particularly pronounced for hazardous child labour, with boys close to four times more likely to be affected than girls, and children in rural areas nearly four times more likely to be in hazardous child labour than children in urban areas (UNICEF, 2018). An estimated one in five schools are out of use in heavily conflict-affected areas, leaving children at heightened vulnerability of child labour (UNICEF, 2017; UNICEF, 2016). IDPs are especially impacted, and a large proportion of internally displaced children (48%) are out of school (UNICEF, 2017). Household income loss due to violence has reportedly forced more families to send their children to work (UNICEF, 2016). Survey data from UNICEF also suggests that social assistance programmes often fail to reach vulnerable children and their families, with 68% of children from a poor background not receiving any form of social assistance.

Source: UNICEF Multi-Indicator Cluster Survey (MICS2018) (6)
The legal framework on child labour is broadly in place

Conventions 138 and 182 have both been ratified by the Iraqi government and the government has established a number of bodies and mechanisms to reinforce and coordinate efforts to address child labour. These include the Child Labour Unit within MOLSA as well as the Inter-Ministerial Committee on Child Labour. The National Child Protection Policy 2017-2022 provides a holistic approach to addressing children’s needs, including tackling child labour, through prevention, protection and rehabilitation programmes. The recent Labour Law 2015 brought important improvements to the legal framework regulating child labour, including an increase of the minimum employment age from 12 to 15 and a provision providing for the effective abolition of child labour. Recent amendments to the Labour Law – deleting the previous Art. 103 – extend protections from hazardous work to children aged 15 to 17 who work in a family business under the authority of family members. The law does not regulate light work for children under the age of 15, which may children aged between 12 and 15 – i.e. the age at which children in Iraq typically leave school and the minimum age for employment – vulnerable to child labour (ILO CEACR, 2016).

Summary Theory of Change – Priority 2

Outcome 2.1: national social protection system is available to ensure adequate protection to all those in need in a coordinated and cost-effective manner

Indicator 2.1.1: Private sector social security reforms implemented and policy/administrative coordination arrangements between private and public social security schemes and social assistance developed

Indicator 2.1.2: A legal framework, as well as interventions for the extension of social insurance to vulnerable workers in the informal economy (including women and men casual workers in construction, agriculture workers, self-employed) are developed and implemented

Indicator 2.1.3: Rights-based design and implementation approaches inform the ongoing reform of social assistance system, with a view to addressing life-cycle vulnerabilities
### Alignment with SDGs

| 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable |
| 5.4 Social protection policies recognising unpaid work |
| 8.3 Policies that support decent jobs |

### Alignment with national development priorities

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<td>• Poverty Alleviation Objective 5 (social protection floor)</td>
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<td>• Social Development Objective 2 (people with disabilities)</td>
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<tr>
<td>Strategy for the Reduction of Poverty in Iraq 2018 - 2022</td>
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### Proposed activities to achieve Outcome 2.1

#### 2.1.1. Continued support for Social Insurance reforms, with a particular focus on private sector workers and enhanced coordination in the social protection system

Significant work has been undertaken in the past year to bolster the capacity of Iraqi social partners in developing a contributory social security system which more effectively and equitably extends protection to wider swathes of the population, including by improving social security provision for private sector workers. A more comprehensive and effective social security framework can also be a powerful tool to support (re-)allocation of skills and talent – including female talent – toward the private sector.

ILO will continue to support its social partners in Iraq on the implementation of social security reforms and the pursuit of the scheduled ratification of C102, with a view to supporting private sector growth of the labour market, focusing on synergies with MSME-led private sector development under Outcome 1.2 of this programme. Beyond legal reform, ILO focus will include support for the implementation/administration of the social security system for private sector workers, with a particular emphasis on short term benefits, as these can generate trust in social protection system (health, maternity, unemployment, employment injury insurance) and respond to immediate needs.

In addition, ILO will support enhanced institutional and administrative coordination across different sub-component (sub-systems) of the social protection systems (i.e. contributory and non-contributory; for public and private sector; across different line ministries) with a view to realising universal coverage and adequate protection across the lifecycle through coordinated administration and financing.

#### 2.1.2 Support design and piloting of strategies for extension of Social Insurance to vulnerable workers in the informal economy

ILO will give particular consideration to the development of strategies aiming to facilitate inclusive formalisation by extending social insurance to workers in the informal economy, with piloting in high-potential sectors and with a focus on the most vulnerable workers. This will necessitate national
dialogue on extension of social security to workers in the informal economy and based on a diagnostic of informality and an analysis of social protection gaps and needs, alongside the establishment of a tripartite technical working groups on extension of social protection coverage to informal economy workers.

Support for the design and piloting of strategies for extension of social insurance to vulnerable workers in the informal economy will be based on a series of feasibility assessments– looking at benefit design and incentives, implementation modalities (registration, contribution, payment), awareness, financing, legal reforms – leading to targeted pilot testing of alternative modalities/ approaches for extension of coverage for different categories of workers (e.g. casual workers, seasonal workers, self-employed, migrant workers), and specific sectors (potentially in the construction and agriculture sectors targeted under Priority 1). This will also entail mainstreaming social security awareness raising and compliance approach into employment promotion/cash-for-work initiatives supported by ILO and other partners.

2.1.3 Support the extension of coverage, adequacy and rights-based implementation of Social Assistance programmes

A significant proportion of the population currently remain outside the coverage of cash-based non-contributory social assistance schemes, including many of the most vulnerable. While there is need to reconsider the cost-effectiveness of the current subsidy system (and particularly the PDS), it is important that the alternative cash-based social protection mechanisms that are put in place are comprehensive enough in coverage and address life-cycle vulnerabilities. Together with key partners2, ILO will work towards reforming the social assistance system in Iraq to ensure that a) it is designed and implemented on the basis of a rights-based approach; b) it addresses vulnerabilities across different segments of Iraqi society, and c) it facilitates local economic development by stimulating domestic consumption through cash-based approaches. Capacity development to constituents and civil society for their active participation in the determination of a nationally-defined Social Protection Floor for Iraq will be critical.

In order to respond to the specific needs of persons with disabilities, including disabilities acquired as a result of conflict, ILO will support the reform of contributory and tax-funded social protection mechanisms for persons with disabilities with a view to enhancing impact, adequacy and cost effectiveness, and assess options for the introduction of an integrated disability benefit.

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2 Members of the UNCT Cash Working Group have already worked with national authorities to agree on modalities for helping families access Government support services, in an effort to ensure that the cash assistance being provided by humanitarian partners does not undermine or duplicate the Government’s own transfer programmes. These efforts are also highly relevant for efforts to eliminate child labour, under Outcome 2.2 below, as cash transfers can be effective in supporting the withdrawal of children from work as well as their (re-)entry into education. See: www.humanitarianresponse.info/en/operations/iraq/cash-working-group
Proposed activities to achieve Outcome 2.2

Child labour is a growing concern in Iraq, including in its worst forms. However, there are gaps in policy as well as a lack of relevant programmes against child labour. Therefore, the ILO, together with Government and UN partners, will implement activities to tackle child labour consisting of three main workstreams at macro-, meso- and micro-levels:

**2.2.1 Support for policy development resulting in a National Action Plan (NAP) Against Child Labour**

ILO will support the development of a National Action Plan (NAP) against child labour, in collaboration with UNICEF. The NAP will be aligned with national development plans and adapt relevant elements of the regional strategic framework on child labour in the Syria refugee crisis.

**2.2.2 Building capacity of Iraqi government agencies and social partners to address child labour**

ILO will build capacity in MOLSA, including the CLU, labour inspection, and the Child Welfare Department. In addition, ILO will develop the capacities of Employers and Workers organization in Iraq to effectively engage in fighting child labour. Further, ILO will promote the mainstreaming of child labour concerns among relevant UN agencies, including the revision of child labour indicators in ASSIST, MCNA and other forthcoming surveys / humanitarian assessments. (There is currently no guidance on child labour in the ‘Iraq Child Protection Sub-Cluster Standardized Indicator Guidance for HRP’.)

**2.2.3 Direct service provision, focusing on WFCL**

In collaboration with MOLSA and relevant UN agencies, particularly UNICEF, ILO will launch targeted programmatic activities to prevent child labour, and withdraw and rehabilitate working children, including through education and social protection interventions. The focus will be on the worst forms of child labour (WFCL) in regions where risks of WFCL are highest.
## Partnerships to achieve objectives under DWCP Priority 2

<table>
<thead>
<tr>
<th>Potential partner</th>
<th>Potential for partnership</th>
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<tbody>
<tr>
<td><strong>UNICEF</strong></td>
<td>There is considerable scope for collaboration and synergies between the activities of ILO and UNICEF in Iraq, both with regard to social and child protection. UNICEF is engaged in the provision of child-focused cash transfers to children from vulnerable families as well as in the facilitation of re-entry into school.</td>
</tr>
<tr>
<td><strong>World Food Programme</strong></td>
<td>The World Food Programme provides a number of cash transfer and food assistance programmes, targeting Syrian refugees and displaced communities in particular. There is scope for collaboration with ILO regarding enhanced coordination of various social assistance schemes by governmental and international institutions, including with regard to ensuring their implementation and delivery in line with international labour standards.</td>
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<tr>
<td><strong>World Bank</strong></td>
<td>The World Bank supports the provision of essential services and social safety nets to vulnerable communities, specifically through the USD 200m Emergency Social Stabilization and Resilience Project – implemented by MOLSA – which includes significant Cash4Work and social safety net components, including the development of a unified social protection registry. There is great potential to deploy ILO expertise in coordinating efforts to ensure a credible trajectory towards a sustainable, rights-based, longer-term social protection floor, including through the World Bank-chaired Iraq social protection coordination platform.</td>
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<tr>
<td><strong>UNHCR</strong></td>
<td>UNHCR chairs the Cash Working Group (CWG) for Iraq. The priorities of the CWG include promoting linkages and coordination with government social protection mechanisms, pursuing linkages between cash-based responses in humanitarian programming and national social protection schemes, specifically by establishing a technical dialogue with MOLSA. UNHCR provides a number of multi-purpose cash assistance programmes, targeting Syrian refugees and displaced communities in particular.</td>
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</table>
Labour market governance is strengthened in order to promote the realisation of Fundamental Principles and Rights at Work through improved social dialogue mechanisms

In summary:

There are significant governance shortfalls in the Iraqi labour market, reflecting in large part the broader governance environment. In particular, while the possibility for tripartite collaboration is expressed within various laws and frameworks, the practice of effective and constructive social dialogue is highly constrained. Further, despite a relatively robust labour law framework revised in 2015 for the Federally-administered regions, implementation in practice lags markedly, and labour inspection remains insufficient. Gender equality remains a critical factor for the realisation of Fundamental Principles and Rights at Work in Iraq.

Realisation of Fundamental Principles and Rights at Work underpins the strengthening of governance institutions which can sustain Iraq’s development trajectory on an inclusive and resilient course. ILO will work to strengthen the contribution of social partners to relevant tripartite fora, focusing on the envisaged tripartite management structure of social security, in order to create demonstration effects to policy-makers on the value of representative labour market structures in guiding policy-making and actions to support better labour market functioning. ILO will also support the strategic optimisation of federal and decentralised inspection resources targeting higher-risk workplaces, supporting the introduction of electronic inspection and streamlined SOPs.

Contextual analysis

Iraq has achieved the highest number of ratifications of fundamental and governance Conventions in the Arab States region

Iraq has ratified all eight fundamental ILO Conventions, having most recently ratified C87 in June of 2018, which will enter into force in June 2019. Iraq has also ratified three of the four priority governance conventions: C81 (Labour Inspection), C122 (Employment Policy), and C144 (Tripartite Consultation). C187 was ratified by the Government of Iraq in December 2015. A new labour law, the Labour Law No 37 of 2015 (‘Labour Law 2015’), entered into force in February of 2016.

The recently enacted Labour Law 2015 broadly protects freedom of association and collective bargaining

The 2015 law applies to all workers except members of the armed forces, police, internal security forces, and public officials, the latter being governed by a separate act (Labour Law 2015, art. 3). The law also includes the right to strike. However, the 1987 Union Assembly Law remains in force – in the absence of formal repeal or replacement – which effectively prevents trade unions from organising workers in industrial state-owned enterprises (SOEs). A draft trade union law, intended to replace the 1987 Law on Assembly, and is currently before the General Secretariat of the Council of Ministers.

And some tripartite mechanisms for social dialogue are in place

The passage of the Labour Law 2015 and subsequent ratification of C87 enhance the legal framework for tripartite dialogue. Some tripartite mechanisms for social dialogue are mandated – or anticipated - by law or national policy, including tripartite labour inspection committees, the Higher Committee for the Planning and Placement of the Labour Force, the Private Sector Development Council (PSDC) and the tripartite Social Security Fund envisaged by the draft Social Security Law. In practical terms, GFIW
is recognised as the official ‘representative’ trade union in tripartite structures. There are therefore limited opportunities for other trade unions to participate in formal consultation structures. Social partners have limited capacity to develop evidence-based strategic recommendations.

**But there are continuing and significant obstacles to the full enjoyment of trade union rights in Iraq**

Despite an improved legal framework and the development of a draft Trade Union Law, interference in trade union affairs—a crucial impediment to freedom of association. The fragmented labour market, high informality, economic and social instability and political tension and polarization have impeded the right to organize.

**No collective bargaining in practice**

Although the 2015 Labour Law protects the right to bargain collectively, and establishes procedural arrangements for collective bargaining, there is currently no collective bargaining in practice at enterprise, sector or national levels in Iraq.

**Employers’ representatives maintain low institutional capacity**

The Iraqi Federation of Industries (IFI) is the main body representing employers in the private industrial sector. IFI currently maintains low institutional capacity relative to many of its regional counterparts. ILO has previously reviewed IFI’s by-laws to enable the organisation to develop appropriate governance systems and institutional structures and is currently supporting IFI through an Institutional Reform and Change Management review. As of May 31 2019, IFI has become an official IOE member.

**A tripartite inspection model presents opportunities and challenges**

Tripartite Inspection Committees are broadly empowered to undertake examinations to ensure that violations are not taking place. They can access workplaces without prior notice, take samples from the workplace, and compel an employer to make appropriate changes as necessary (Labour Law 2015, Art. 129). Labour inspections are planned rather than risk-focused. Iraq’s labour inspection regime has attracted CEACR scrutiny to the extent that tripartite committees have exclusive competence to perform labour inspections, and the law does not foresee individual labour inspectors conducting inspections alone (ILO CEACR, 2016).

**Highly constrained inspection capacity**

As of 2018, there are 231 labour inspectors in federally-administered Iraq, of which 171 are men and 60 women (MOLSA, 2018). In the KRI there are 21 labour inspectors, mostly focused in larger urban centres. It is recognised that staffing numbers are insufficient to meet the needs of workers, in view of current technology and inspection approaches. There are some reports of poor governance standards within labour inspection. The failure of employers and unions to provide members for the inspection committee is also a practical impediment to effective functioning.

**Decentralisation represents a challenge for oversight of occupational safety and health (OSH)**

C187 was ratified by the Government of Iraq in December 2015. The Labour Law 2015 establishes a broad OSH framework and charges the National Centre for Occupational Health and Safety with managing, planning, and monitoring occupational health and safety matters. The Centre now operates under the ambit of the MOLSA, having previously been associated with the Ministry of Health (MOLSA, 2018). As have other MOLSA agencies, the National Centre has been subject to de-centralisation, which has raised some concerns around capacities of decentralised entities to address more technical aspects of OSH at workplace level. 370 of the Centre’s 620 staff are now transferred to governorates, with 250 remaining in Baghdad.
Conflict and high unemployment have negatively impacted health and safety outcomes

In the absence of alternatives, many Iraqis have sought jobs in the informal sector where injury and accident rates are higher (MOLSA, 2018). Considerable proportions of SME and informal employment have also meant that significant numbers of workers fall beyond the scope of formal OSH protections.

Summary Theory of Change – Priority 3

Result of

DWCP Priority 3 - GOVERNANCE: Labour market governance is strengthened in order to promote the realisation of Fundamental Principles and Rights at Work through improved social dialogue mechanisms

Expected changes from ILO’s contribution

Outcome 3.1: improved contribution of the social partners to tripartite institutions, based on the principles of social dialogue and freedom of association

Outcome 3.2: Labour inspection and OSH services are more effective in preventing and detecting noncompliances with national and international labour standards

Means of action and support to constituents, including major outputs

3.1.1 Freedom of Association is strengthened through cohesive labour laws and enforcement policies improved.
3.1.2 Enhanced contribution of social partners to policy-making processes with evidence-based recommendations
3.1.3 Boosting capacities and internal effectiveness of social partner organisations
3.2.1 Support progress toward a strategic compliance model of labour inspection in Iraq
3.2.2 Support development of national OSH policy and programme for Iraq
3.2.3 Support the National Centre for OSH to strengthen its technical capacity and expand its services at the national level
3.2.4 Support MOLSA in building capacity of labour inspectors on modern labour inspection procedures and practices
3.2.5 Support the automation of labour inspection
3.2.6 Support the social partners in building their capacities on labour inspection and OSH

Outcomes

Outcome 3.1: Improved contribution of the social partners to tripartite institutions, based on the principles of social dialogue and freedom of association

Indicator 3.1.1: An effective mechanism to determine the most representative workers organisation [for purposes of participation in tripartite institutions] is established and functioning.

Indicator 3.1.2: The number of recommendations developed by social partners on implementing national development objectives related to jobs, skills developments, social security, decent work and private sector development, and adopted by the Government

Indicator 3.1.3: Number of social dialogue platforms institutionalised and strengthened

Alignment with SDGs

5.5 Women’s effective participation in political, economic and public life
8.3 Development-oriented policies, 8.5 Employment and Decent Work, 8.8 Protect labour rights
10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
16.3 Rule of Law, 16.6 Transparent Institutions, 16.10 Fundamental Freedoms
### Alignment with national development priorities

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<td>- Good Governance Objectives 1 (rule of law), 4 (integrity and transparency) and 6 (public participation)</td>
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### Proposed activities to achieve Outcome 3.1

#### 3.1.1 Freedom of Association is strengthened through cohesive labour laws and enforcement policies improved.

Social dialogue based on freedom of association, as well as collaboration with the social partners to promote Fundamental Principles and Rights at Work (FPRW) in Iraq, is a central pillar of the Iraq DWCP. The 2015 reform of the Labour Law – and subsequent ratification of C87 – enhance the legal framework for tripartite dialogue in Iraq. However, current circumstances inhibit prospects for effective tripartism. To this end, the ILO will provide support to social partners in Iraq in order to enhance awareness of the operational implications of the ratification of C87, and finalization of the trade union law based on international labour standards.

#### 3.1.2 Enhanced contribution of social partners to policy-making processes with evidence-based recommendations

ILO will work to strengthen the contribution of social partners – and the women and men within social partner organisations – to tripartite fora. The prospective adoption of the new Social Security Law, which envisages a tripartite management structure, provides an effective focus for capacity building, and scope to create valuable demonstration effects to policy-makers on the value of representative labour market structures in guiding policy-making and actions to support better labour market functioning – including labour market restructuring, as well as skills matching and skills anticipation. In the medium term, Iraqi social partners will be capacitated to actively participate in social dialogue and functioning tripartite bodies, potentially including a planned E-TVET platform and sector skills bodies, alongside the anticipated Social Security Fund.

#### 3.1.3 Boosting capacities and internal effectiveness of social partner organisations

The ILO will work to enhance the capacities of social partners to clearly articulate their positions on Decent Work so as to inform national legislation and policy-making in line with international labour standards. In addition to policy support, the ILO will support the IFI and Iraqi trade unions to enhance services to their members in the area of rights at work. This will entail focused advisory input for employers’ and workers’ organisations on internal regulations, financial and accounting protocols and standard operating procedures, as well as ACTEMP / ACTRAV support on organizational strategies.

For employers, this entails support for institutional reform and Change Management at IFI – including enhancing out-reach to members through installation of CRM and Archiving systems so as to allow tracking of membership fees and services rendered to. It also includes trainings to support female and male employers’ representatives to effectively take part in tripartite discussions and meetings as well as to influence and take part in policy-making in other areas, such as labour law reform and SME development.

For workers this includes developing strategic planning, as well as support for institutional reform, enhanced services and improved capacities to reach and organize workers, and trainings to support female and male workers’ representatives to effectively take part in tripartite fora and bodies as well as to influence and take part in policy-making in other areas, such as labour law reform.
Outcome 3.2: Labour inspection and OSH services are more effective in preventing and detecting non-compliances with national and international labour standards

Indicator 3.2.1: The availability of a national system for reporting work-related accidents, injuries and diseases

Indicator 3.2.2: The numbers of violations, complaints and disputes relating to working conditions (including sexual harassment) and OSH.

Indicator 3.2.3: The production of an annual quality report in line with the requirements of the Labour Inspection Convention (C81)

Indicator 3.2.4: Adoption of a strategic compliance planning approach by the labour inspectorate

Indicator 3.2.5: Automation of labour inspection activities

Alignment with SDGs

| 8.5 Employment and Decent Work, 8.7 Child and Forced Labour, 8.8 Protect labour rights and promote safe and secure working environments | 16.3 Rule of Law, 16.6 Transparent Institutions, 16.10 Fundamental Freedoms |

Alignment with national development priorities

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<td>• Good Governance Objectives 1 (rule of law), 3 (decentralisation), 4 (integrity and transparency)</td>
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Proposed activities to achieve Outcome 3.2

Under the DWCP for Iraq, the ILO will support national efforts to enhance the effectiveness and efficiency of labour inspection and occupational safety and health (OSH) services.

3.2.1 Support progress toward a strategic compliance model of labour inspection in Iraq

The ILO will support MOLSA to move from its current inspection model to a strategic compliance model that is proactive and risk-based in cooperation with other social partners. The ILO will also assist MOLSA to operationalise improvements to labour inspection by prioritising specific higher-risk sectors in the initial phase. ILO will support national efforts to introduce electronic labour inspection and update other tools available for inspectors’ use, including checklists, manuals and SOPs as well as promotion of OSH auto-compliance at enterprise level.

3.2.2 Support development of national OSH policy and programme for Iraq

Based on the recent national OSH profile developed with technical support from the ILO, the ILO will support tripartite efforts to contribute to the development and adoption of a national OSH policy and programme in line with C187, ensuring women’s participation in these consultations. The MOLSA has already drafted a national OSH policy which needs to be finalized in consultation with the social partners and for which the ILO is available to provide technical support.
3.2.3 Support the National Centre for OSH to strengthen its technical capacity and expand its services at the national level

The ILO will also support MOLSA to strengthen the capacity of the National Centre for OSH, mainly by conducting a technical capacity gap analysis and, based on the findings, developing recommendations and plans for improving its technical capacities and enabling it to provide better and more effective OSH services at the national level.

Technical support will also be provided to the Centre to develop, in consultation with the social partners and relevant stakeholders, a national system for reporting and recording work-related accidents, injuries and diseases.

3.2.4 Support the MOLSA in building the capacity of labour inspectors and their supervisors on modern labour inspection procedures and practices

The ILO will support MOLSA to promote an integrated and enhanced labour inspection system and will continue to conduct capacity building for labour and OSH inspectors, including through training-of-trainers. This training will focus on modern labour inspection procedures, OSH and relevant international labour standards, gender equality and non-discrimination (including sexual harassment and gender-based violence in the workplace). The design and contents of capacity-building and development-training programmes will be based on a comprehensive assessment of training needs.

3.2.5 Support the automation of labour inspection

The ILO will support MOLSA for automating labour inspection activities and establishment of electronic databases on labour inspection and OSH.

3.2.6 Support the social partners in building their capacities on labour inspection and OSH

The ILO will conduct activities, including capacity building programmes and developing brochures and infographics, to raise the awareness of workers and employers on labour inspection and OSH and to strengthen the capacity of their organizations for better and more effective engagement in activities aimed at promoting compliance with the national legislation.

Partnerships to achieve objectives under DWCP Priority 3

Throughout its work, the ILO will seek to engage a wide range of stakeholders, including social partners, non-governmental organisations and other development agencies, in an effort to establish a network to support social dialogue and labour inspection mechanisms.
Annex 1: Management, implementation, monitoring, reporting, evaluation

The DWCP will be managed by the Regional Office for Arab States, with support of technical experts and possibly a coordination function to be based in Iraq. The ILO will support the national tripartite steering committee, which will meet on a monthly basis (building on the recommendations of the DWCP review, to monitor and oversee implementation of the DWCP. The committee will be comprised of officials from the MOL and MOPIC, representatives from employers’ and workers’ organizations and the ILO. The terms of reference for this tripartite committee will be revised and set out the governance structure for the DWCP and its mechanisms. ILO will promote women’s participation in the national tripartite steering committee.

The Committee will validate the DWCP implementation plan and monitor its progress, providing technical, monitoring and evaluation (M&E) and policy support, as required. The DWCP results framework will allow for regular monitoring against anticipated results. At the end of the programme period, the ILO will conduct an external evaluation of the DWCP to be managed by the ROAS M&E officer.

Focus on M&E: Integrating accountability and learning-from-doing into planning and design

The development of a new DWCP for Iraq marks an opportunity – both for ILO and its constituents – to refine and enhance approaches so as to target and create real change. Further, a prime means to address governance challenges is to build in oversight, transparency and accountability mechanism to the design of activities scheduled under the DWCP.

In concrete terms, this means integrating monitoring and evaluation (M&E) processes into the DWCP formulation processes, based on considered reflection on how changes will occur – including making explicit all assumptions about cause-and-effect – as well as what significant intermediate milestones might be, and how to judge success of interventions in light of this framework. This process has already commenced with the development of an Evaluability Diagnostic report, and will be built on in the course of DWCP implementation – for example around training on Result-Based Management (RBM), in order to ensure that tripartite follow-up on the DWCP results from engagement, appropriation and understanding of the DWCP’s objectives.

Furthermore, in view of the dynamic and evolving Iraqi context, it is vital to build in scope to revise initial assumptions – or indeed objectives – where the operating environment shifts. This may involve scheduling some degree of formative evaluation in the earlier stages of the DWCP, as a ‘reality check’ that the scheduled activities remain in line with current needs and are delivering real change. Further, ILO will ensure close engagement with UNCT/RCO efforts to coordinate M&E in view of the new UNDAF 2020-2024, in particular seeking to encourage participation of constituents in training and capacity-building efforts. Specifically, it is noted that the prospective World Bank ESSRP programme will work to develop the M&E capacities of MOLSA; this marks a good opportunity for coordination.

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3 component 2 (Resilient Social Safety Nets) of the proposed World Bank ‘Iraq Emergency Social Stabilization and Resilience Project’ (P165114) will support the development of a specialised monitoring capacity in MOLSA (and MOP), which will help the institutions’ efforts of continuous programme improvement. See http://documents.worldbank.org/curated/en/116841523152841659/pdf/Project-Appraisal-Document-PAD-Iraq-Emergency-Social-Stabilization-and-Resilience-Project-P165114-03272018.pdf
Annex 2: Risks and assumptions

The following risk assessment matrix includes a risk assessment description at the level of the outcomes and a strategy to mitigate these risks.

<table>
<thead>
<tr>
<th>Key assumptions</th>
<th>Likelihood (High/Medium/Low)</th>
<th>Importance (High/Medium/Low)</th>
<th>Risk level (Red/Yellow/Green)</th>
<th>Mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sustainability assumptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data and insights resulting from LFS will inform policy design</td>
<td>M</td>
<td>H</td>
<td>Red</td>
<td>There is a high degree of demand for up-to-date labour market data from national and international actors. The ILO will support the DWCP Tripartite Committee to disseminate evidence-based policy proposals based on data from the LFS.</td>
</tr>
<tr>
<td>Efforts to promote longer-term employment (and self-employment) opportunities</td>
<td>M</td>
<td>H</td>
<td>Red</td>
<td>The value-added of ILO's contribution to the Iraq jobs agenda is closely linked to the capacity of the DWCP to promote policies and practices to support the creation of decent jobs, which provide sustainable, long-term opportunities for Iraqis. The DWCP focuses on specific avenues to ensure a longer-term focus, in particular through partnership and policy dialogue.</td>
</tr>
<tr>
<td>and results at adequate scale can be demonstrated within the DWCP timeframe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social partners take ownership of the DWCP, and all social partners are able</td>
<td>M</td>
<td>H</td>
<td>Red</td>
<td>The ILO has secured a commitment from the social partners starting from the inception phase of the DWCP. Furthermore, a DWCP Tripartite Committee will meet on a monthly basis to discuss DWCP achievements, challenges and future directions.</td>
</tr>
<tr>
<td>to contribute to the realisation of the DWCP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Development assumptions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favourable security and economic context, including oil price stability</td>
<td>L</td>
<td>H</td>
<td>Red</td>
<td>Security risks will be monitored regularly by projects in relevant working areas and at the national level.</td>
</tr>
<tr>
<td>There will be (continued) agreement on sub-national / regional focus for</td>
<td>L</td>
<td>H</td>
<td>Red</td>
<td>There has been a high degree of consultations with all partners in Iraq with regard to targeting of activities: moreover, a DWCP Tripartite Committee will meet on a monthly basis to discuss DWCP achievements, challenges and future directions.</td>
</tr>
<tr>
<td>specific activities (e.g. in liberated governorates)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Focus on sub-national governance regimes and the role of non-state actors

ILO-supported activities under the DWCP will invariably take place within a shifting socio-political landscape. The 2005 Constitution and subsequent enactments (particularlly the Provincial Powers Law) are significant insofar as they provide for decentralisation and a devolution of functions (including labour authority) to the governorates. What is envisaged is the creation of smaller social or political entities with rights and powers to regulate and administer labour law matters, thereby limiting the federal role to items, which cannot be accomplished by governorates alone.

Navigating these arrangements is further complicated by the existence of tribal affiliations, which provide a further form of informal sub-national governance. In particular, customary forms of law or conflict resolution may exist in parallel with formalised and institutionally-backed regimes, and are unlikely to be impacted by decentralisation efforts.

Although the decentralisation process has been gradual, understanding and navigating jurisdictional boundaries will become crucial as governance frameworks develop. In particular, this will involve understanding the extent to which interventions should be targeted federally or at a sub-national level. Questions might also be raised regarding the flexibility of governance structures created by a decentralised constitutional order, the impact of decentralisation on funding and capacity (for instance the devolution of the National Center for OSH, discussed above), and any impact on existing geographic variations (such as rural-urban divides, or disparities between formerly Daesh-occupied vs. non-occupied areas).
A dynamic context requires room for flexibility in the design and implementation of planned interventions (see recommendation above). To the extent that competency over labour matters may shift, understanding key interlocutors (including sub-national and non-state actors), cost-sharing arrangements between levels of government, geographic variations, and areas of intervention which are either likely or unlikely to be impacted by decentralisation will be key.

Annex 3: Funding plan

ILO regular budget and extra-budgetary resources will be used to finance the implementation of the DWCP, as per the established DWCP priorities. To achieve Decent Work outcomes in Iraq, the ILO will deliver technical cooperation projects, advisory missions, and seminars for disseminating information and capacity building. ILO resource mobilisation efforts in Iraq will seek to expand the DC resources available to finance the priorities identified in the DWCP. The Government and the social partners will actively participate in the DWCP Tripartite Committee, providing advisory and logistical support for the successful implementation of the Country Programme. They will also support ILO resource mobilisation efforts.

Annex 4: Advocacy and communication plan

The ILO will work to strengthen the visibility of its work and that of the tripartite constituents and to support the achievement of the DWCP outcomes by informing audiences, engaging them and moving them to action. Communication about the Iraq DWCP will refer systematically to the 2030 Agenda for Sustainable Development. The ILO will seek to support these areas of work and their related advocacy, while continuing to promote cross-cutting issues, including gender equality.

In supporting the DWCP strategic priorities, the ILO will:

1. provide strategic leadership for all communication matters concerning the DWCP and its implementation;

2. enhance news outreach to key audiences;

3. improve web and social media presence and impact;

4. strengthen advocacy on priority outcomes within the DWCP;

5. support the preparation and promotion of reports and publications;

6. enable the effective communication between the ILO and constituents to support achieving DWCP outcomes;

7. build the communication capacity of ILO and tripartite colleagues through training and access to online guidelines and tutorials;

8. measure success using the key performance indicators in the ILO Global Communications Plan.

Advocacy efforts will target constituents, parliamentarians, donors, media, the general public, civil society organizations, the private sector and the academic and research community. Advocacy efforts will particularly target:

- Constituents. The ILO will reach out to constituents through targeted communication channels,
including through quarterly newsletters and social media. This will ensure ILO constituents are equipped with communication and advocacy materials to promote the DWCP and disseminate materials relating to the DWCP outcomes through their channels to their audiences.

- Development partners. The ILO will continue to raise visibility for the impact and results of DWCP projects and programmes across Iraq. Multimedia content will be used to tell the story of our beneficiaries and how the Decent Work Agenda approach to development benefits the world of work.

- The general public. Through the mass media, social media, and via the public website, communication will bring the DWCP into people’s daily lives and show how it is instrumental in shaping a future with social justice for Iraq.

- Journalists. ILO will promote media coverage of DWCP activities, research and achieved outcomes.

- The multilateral system. The ILO will continue to work to ensure that DWCP visibility is enhanced within the multilateral system seeking to raise the profile of partnership initiatives in the context of the SDGs and the 2030 Agenda.

For its advocacy efforts, the ILO will utilize several communications channels, including the ILO ROAS and global websites, newsletters, printed materials (publications, brochures and factsheets) and social media, using a variety of media materials.

In its communications, the ILO will emphasize key advocacy messages. In all its promotional materials, the ILO will work to ensure the visibility of women, highlighting the vital role that women play as economic actors. The ILO will also emphasise the importance of partnerships to address Iraq’s particular labour market challenges, implement the SDGs and achieve Decent Work for all. The ILO will emphasise the need to address the decent work needs of all parts of the national population, including workers and their families in KRI, as well as non-national refugees and migrant workers. The ILO will also emphasise the need to tackle long-term decent work deficits, together with immediate challenges.

The ILO will highlight the role of good labour market governance in promoting inclusive and sustainable development in Iraq. The ILO will advocate for the adoption and implementation of international labour standards. The ILO will also publicise the implementation of DWCP outcomes relating to action against the worst forms of child labour and the promotion of jobs and skills for youth and vulnerable populations including vulnerable Iraqi women, IDPs and PWDs.
References


