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Adopting Public Works in Iraq: Key Design Considerations for an Effective Programme

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The objective of this paper is to outline factors and challenges that need to be taken into account in designing and integrating a public works programme within the social protection landscape in Iraq, in line with the Government of Iraq's objectives and informed by international best practices.

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1. INTRODUCTION

The Government of Iraq and the Kurdistan Regional Government are currently in the midst of reforming their respective social protection systems, which are currently fragmented, are relatively ineffective in reaching the most vulnerable, and experience several inefficiencies. Within this reform agenda, the Government has, in particular, highlighted the key objective of supporting working age and able-bodied adults in receipt of social assistance to transition out of poverty and into decent employment with effective access to social security coverage.

To inform the debate on the reform agenda, a position paper was recently published by the UN outlining a vision for the establishment of a social protection floor, based on the key principles of inclusivity, adequacy, and intergenerational equity. The paper highlights the importance of adopting a lifecycle approach, to achieve a comprehensive and coherent social protection system that covers key vulnerabilities individuals face over the course of their lifetime.

This paper aims to complement that position paper by discussing how a public works programme may fit within the social protection landscape in Iraq, how relevant such a programme is to the Government's objectives, with the primary purpose of highlighting key design considerations to ensure such a programme reaches its full potential, drawing on international experience.

1.1. Public Works Programs: Definition and Objectives

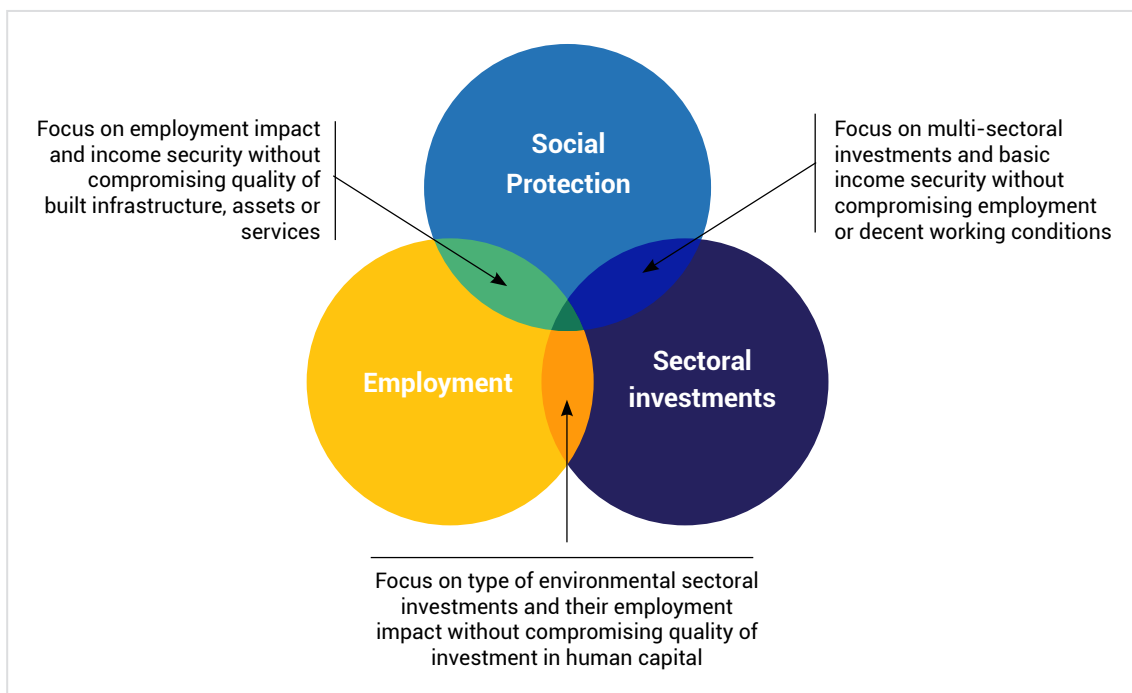
The term "public works programmes" (PWP) encompasses a very wide range of programmes, and the term is often used interchangeably with other concepts, including "public employment programmes", "workfare programmes", etc.... At its core, the term public works refers to "publicly-funded employment programmes outside the normal public service, whose purpose is to employ people, with that employment used to contribute to the delivery of assets and services that create public value and contribute to the public good" (Philip et al, 2019, p. 8).

PWPs can achieve three core objectives, and the primary objective of the programme (or weight placed on each of the three objectives) will depend largely on the policy priorities informing the creation of the programme. These objectives include:

- a. **Reducing unemployment and/or underemployment** by directly creating employment opportunities. PWPs are typically implemented in contexts where unemployment or underemployment are high, where the labour market faces key disruptions either over the long-term, on a cyclical basis, or as a result of a macroeconomic shock. The characteristics of the labour market (and unemployment and underemployment situations in particular) have direct implications for the effective design of the programme. Here, the government is understood as acting as an "employer of last resort", stepping in to provide employment where the private sector is unable to create sufficient opportunities to meet the demand. Furthermore, programmes can also be designed with the objective of sustainably supporting participants into employment by integrating – or collaborating with service providers who offer - job placement, referrals skills training or on-the-job training, or any other type of employment services or private sector support and capacity building into the programme. The feasibility of such an approach depends on the availability of such services in the locations in which the programme is implemented and has significant implications for the programme design and management, but also for the total budget allocation for the programme.

- b. **Promoting social protection** by providing income support (in the form of the wage) as a means of smoothing consumption among participants – here typically identified as those most in need. In some cases, the PWP comes to complement other social assistance interventions by targeting working age adults with the ability to engage in labour. The extent to which a programme can contribute to social protection objectives heavily depends on key design features, including duration, wage rate, participant selection criteria, etc... but also on the type of social protection gaps that need to be addressed.
- c. **Delivering infrastructure and services:** The work undertaken under PWPs is typically geared towards the creation productive assets (including building or upgrading infrastructure, strengthening agricultural productivity, etc...), to complement gaps in the provision of public services, or any other project deemed relevant to the public good. In some programmes, this objective takes precedence over the other two, whereby the emphasis of the programme is primarily on the nature and quality of the assets produced, with key design and implementation implications.

Figure 1: Multiple Objectives and Trade-Offs of Public Works Programmes



Source: ILO, 2020a

The weight placed on each of these objectives bears heavily on the manner in which programmes are designed, and there is great variation in this regard. In terms of **eligibility**, PWPs are typically self-targeted programmes, whereby those who are willing to work for the wage set by the programme apply. However, certain programmes aim to comply with the prevailing minimum wages, in which case additional criteria need to be used to prioritise certain groups or limit eligibility to specific categories, as such programmes cannot offer sufficient employment opportunities to meet the demand. There is also great variation in terms of the **duration** of the employment provided, which itself hinges on the underlying unemployment or underemployment situation, but also the available programme budget. For example, some programmes are only

implemented during certain periods of the year, while others are implemented for a short period of time in response to specific shocks. Still others, taking the form of Employment Guarantee Schemes, are permanent programmes that guarantee a minimum number of workdays per individual, in contexts where unemployment or underemployment is chronic. The **type of benefit** that is provided by the scheme also varies, with some programmes offering a wage in cash, while others provide food in exchange for the work provided. In turn, different programmes place a different emphasis on the *employability* of the participants, with some programmes integrating **complementary services** such as skills development, employment support services, etc.... Finally, there is also enormous diversity in the **types of assets and services** created under the programmes, reflecting the diversity in the underlying economic and social constraints in that context. While some programmes place a focus on increasing the labour intensity of infrastructure projects, others opt to provide or create a mix of assets and services.

Box 1: Employment Guarantee Schemes or temporary programmes

India implements the largest employment programme in the world, taking a rights-based approach under the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) of 2006. Under the Act, rural households are entitled to 100 days of paid employment per calendar year, which is provided upon demand. The unemployment allowance is meant to be paid even where employment cannot be provided, and the programme incorporates strong grievance and redress mechanisms to remedy cases where entitlements have not been met (Ehmke, 2015).

In Latvia on the other hand, a public works programme (the Workplace with Stipend (WWS) Emergency Public Works Programme) was introduced following the 2008 Global Financial Crisis, which caused the economy to fall into a sharp recession and for unemployment and poverty to rise. The programme was implemented for a period of two years, in 2009 to 2011 as a means of creating employment opportunities to provide income support to the unemployed who were not in receipt of contributory unemployment benefits (Azam, Ferré and Ajwad, 2013).

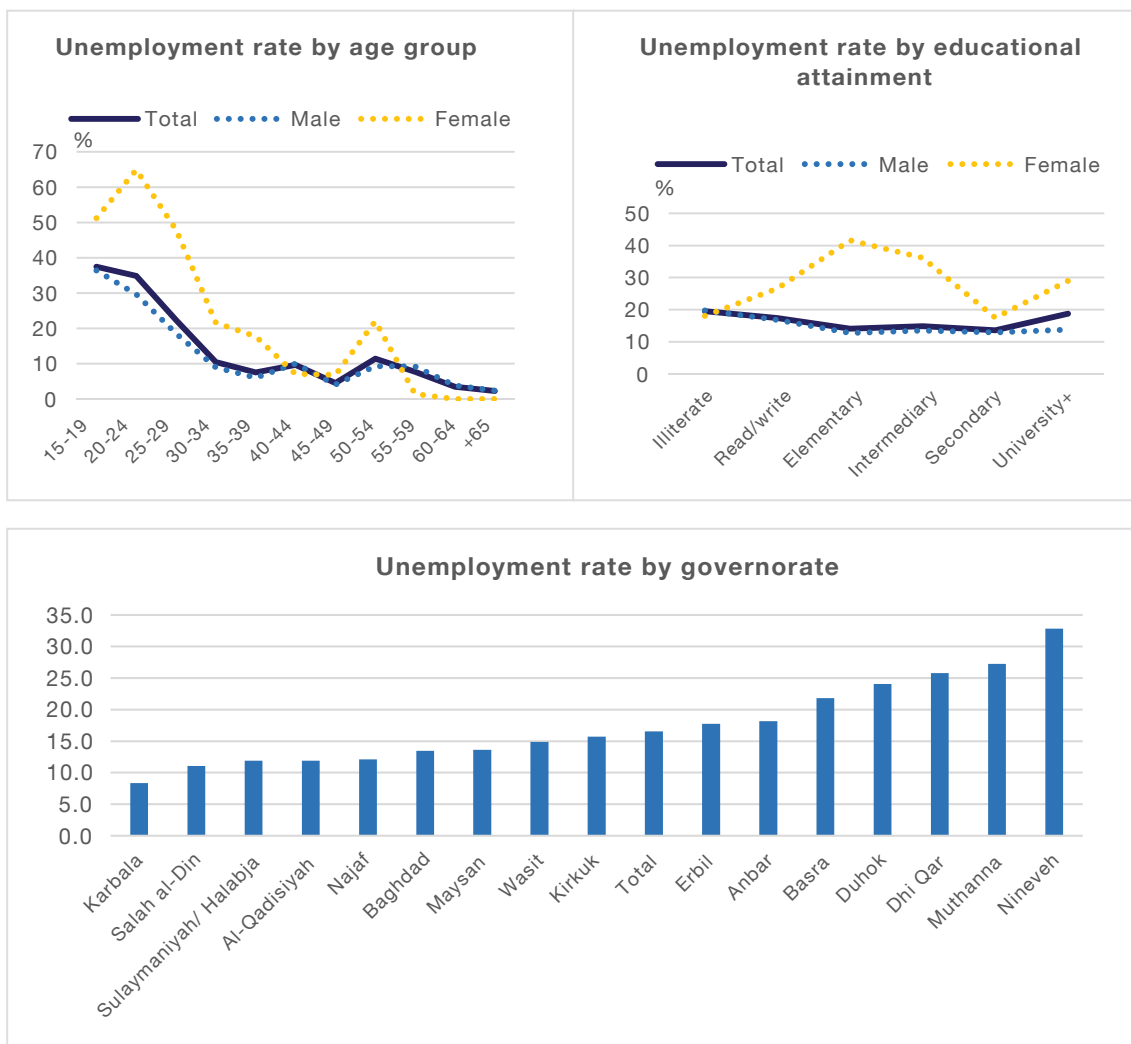
1.2. Relevance of Public Works Programmes to Iraq's Context

The creation of a PWP in Iraq is highlighted as a priority for both economic reform and sustainable development. In the White Paper on Economic Reform adopted by the Government of Iraq in 2020, the Government highlights the ambition of "creating legal and regulatory frameworks needed to operationalize public works programmes", under the second axis focusing on macroeconomic reform and employment creation (GoI, 2020: p. 62). Here, public works are seen as a means of creating sustainable employment opportunities - particularly for low-income households, those on low pay, or the unemployed - on the one hand, and of contributing to local development and infrastructure through small, locally defined projects on the other. Similarly, the Iraq Vision for Sustainable Development 2030, as drafted in 2019 by the Ministry of Planning, also identifies the establishment of public works as one of the key investment pillars to create job opportunities in the immediate term, in recognition that initiatives and policies to foster job creation in the private sector are more likely to bear fruit in the medium- to long-term (GOI, 2019).

In both cases the employment objective of such a PWP is clearly highlighted, and for obvious reason. Indeed, the challenges faced in the Iraqi labour market are stark. Firstly, in Iraq only 39.5 percent of the working age population are in the labour force, with significant disparities between men and women, where 68 percent of men are in the **labour force** compared to only 10.5 percent of women. Only some 26.5 percent of youth aged 15 to 24 are in the labour force. The LFS also finds that “female hourly earnings are 18.4 percent lower than male hourly earnings when differences in age and educational attainment are taken into account” (GOI, 2022, p. 50).

The **unemployment** rate stands at 16.5 percent (or 1.6 million people), again, with significant differences by age and gender: while 14.7 of men are unemployed, this rate reaches 28.2 percent among women, and as high as 35.8 percent among youth. While for men unemployment rates fall with educational level until university level, for women, unemployment is lowest among those who are unable to read and write, and among those with secondary educational attainment. There are also significant variations by region with lowest unemployment rates seen in Babylon, at 5.5 percent, and highest rates in Nineveh, at 32.8 percent – six times higher.

Figure 2: Unemployment rate by sex, age group, educational attainment, and governorate, Iraq LFS 2021



Source: (Government of Iraq, 2022)

In terms of duration, the LFS indicates that some 54 percent of the unemployed had been looking for work for six months or more, and some 526'000 individuals (or 30.8 percent of the unemployed) had been looking for employment for one year or more – defined as the “long-term unemployed”. This indicates that unemployment in Iraq is more structural and long-term than it is frictional (short period of unemployment between two jobs). In turn, long-term unemployment is more likely to affect young workers aged 15 to 24, and women aged 15 to 34.

This long-term unemployment is compounded by temporary or short-term unemployment caused by large covariate shocks. For example, a survey conducted by the ILO on the impact of COVID-19 pandemic and related containment measures on the economy reported that up to 25% of respondents had been permanently laid off as a result of the pandemic, and 15% were temporarily laid off (Kebede et al, 2020).

The LFS also indicated that roughly 7.9 percent of employed persons (or 683'000 workers) were working less than 40 hours a week, and wanted - and were available - to work more hours (i.e. time-related underemployment). In addition, among the roughly 3.1 million workers reporting wanting to change their current employment, some 12.6 percent of respondents (e.g. 390'000 workers) specified that the reason was that their current employment was temporary, which indicates that **underemployment** is also a key challenge in the labour force in Iraq.

The **causes** of the high rates of inactivity and unemployment can be explained by a variety of factors. It is widely acknowledged that the primary cause of such high levels of unemployment (and low rates of labour-force participation) is the inability of the private sector to create decent jobs, constrained as it is by years of conflict, a poor business environment, a weak financial system, limited support services, and a lack of diversification and competition in the economy (ILO, 2019a). It has also often been argued that the large disparity in working conditions between the public and private sectors (which account for 38 percent and 62 percent of employed persons respectively) leads many individuals to wait until employment in the public sector becomes available, rather than engage in private-sector employment. This is in part driven by the large share of informal work in the private sector (informal jobs represent 66.6 percent of all employment in Iraq), with related decent work deficits on the one hand, and the unsustainably generous benefits provided to public-sector employees on the other.

Box 2: Cash-for-work programming in Iraq

A range of humanitarian and development actors have been implementing cash-for-work programmes in Iraq for several years now. The interventions vary significantly in their design and objectives, including in terms of targeting, with some focusing on forcibly displaced populations and host communities as part of a response to the displacement crisis (see for example UN-Women (2021, GIZ 2019)), others targeting wider conflict-affected areas (FAO, 2018; UNDP, 2021), or as part of wider development programmes (Oxfam). The programmes also vary significantly in terms of the number of participants, with some relatively small-scale programmes (the UN-Women and FAO programmes covered 513 and 660 participants respectively (UNWomen, 2021; FAO, 2018)), while others have achieved wider coverage (with the UNDP programme having, to date, provided employment opportunities to 40'000 participants (UNDP, 2021)). The type of work undertaken by the programmes also vary significantly, depending on the local economic and social needs, and have included rehabilitation of canals, health education, tree replanting, carpentry, school rehabilitation, etc... (GIZ, 2019; UNDP, 2021; UN-Women, 2021). Finally, for some programmes the inclusion of training was a key component of the intervention (UN-Women, 2021).

With many programmes operating near one-another, the Emergency Livelihood Cluster created Standard Operating Procedures with the aim of overcoming some challenges and establishing a common framework for programme design, including in terms of determining wages, workload, participant selection, etc... (Emergency Livelihoods Cluster, 2022).

Within this context, **a PWP can indeed represent a key tool in the government's arsenal to create employment in the immediate term to complement the clear gaps in employment creation in the private sector.** Where a public works' scheme prioritizes projects that contribute to the creation of productive assets and infrastructure, and where the scheme strengthens demand in the economy by increasing participants' available income, it could also potentially contribute to economic growth, and thereby, indirectly, to job creation in the private sector, thus creating a clear virtuous circle.

At the same time, the Government has made clear commitments to leaving no-one behind. Prior to COVID-19, the poverty rate stood at 20 percent, with rates higher among children aged 0 to 14 years than other age groups. Furthermore, some 42 percent of the Iraqi population are deprived in more than one dimension of wellbeing (whether education, health, living conditions, etc...), and 48.8 percent of children are considered multidimensionally poor. In turn, some 25.8 percent are living just above the poverty line, and thereby vulnerable to falling into poverty in case of covariate or idiosyncratic shocks (World Bank and UNICEF, 2020).

The Government implements several social protection programmes aimed at supporting those living below the poverty line to meet their basic needs, and preventing others from falling into poverty, including the Social Safety Network and the Social Security for Private-Sector Workers. However, data from the 2012 Iraq Household Socio-Economic Survey indicate that social

assistance schemes only benefit some 20 percent of those living below the poverty line (Ministry of Planning, 2012). Similarly, the Social Security System covers only a very small fraction of private-sector workers, leaving many vulnerable to falling into poverty in case of lifecycle risks. Another key challenge is that social assistance programmes lack a clear graduation policy, one which would support recipients to escape poverty, including through linkages with health and education, and, importantly, training and employment services.

Against this background, it is crucial that the *social protection* objective of public works scheme is not forgotten or side lined. This is briefly alluded to in the White Paper for Economic reform, in which it is emphasised that the programme coverage should prioritize low-income households, but it is nevertheless worth reiterating. This involves integrating a clear and explicit objective of supporting the most vulnerable – including those living below or near the poverty line - to sustainably transition out of poverty. Here, the social protection and employment considerations go hand in hand, as it is through the creation of *decent* employment and strengthening employability of participants that the programme can contribute to the objective of supporting social assistance recipients out of poverty.

The remainder of the paper presents and discusses some key factors to take into consideration when designing an effective programme for Iraq.

2. KEY DESIGN CONSIDERATIONS FOR AN EFFECTIVE PROGRAMME

2.1. Embed the public works programme in a comprehensive and shock-responsive social protection floor integrating skills training and employment services

As briefly mentioned above, the current social protection system is fragmented, excludes many of the most vulnerable, does not effectively meet the needs of the poorest, and does not have a mainstreamed strategy for the transition out of poverty.

The recently published UN paper *“Position Paper: Building Iraq’s Social Protection Floor: Framework and Recommendations”* outlines a key framework for the establishment of a social protection floor, providing a vision and concrete recommendations for a comprehensive system that covers all risks across the lifecycle. Here, the establishment of a social protection floor would require the creation of several new key non-contributory programmes to cover the following population groups currently not eligible for contributory schemes:

- Pregnant women
- Early childhood (with a vision to extending to older ages as the system becomes more mature)
- Orphans
- People with disabilities
- Old age

However, the Social Safety Network also currently covers over 2 million able-bodied adults of working age. To reduce poverty among this population group, this paper proposes that the PWP be established and implemented by the government to complement the above-mentioned key programmes by providing regular and predictable income support to working age and able-bodied adults currently outside the labour market, unemployed or underemployed, while supporting them to sustainably transition out of poverty through skills training and employment support to access decent work.

Figure 3: How a PWP would fit in the proposed Social Protection Floor in Iraq

| | Children | Working age adults | | | Old age |
|--------------------------|--|----------------------------|--|---------------------------------------|---|
| | | Pregnant women | People with disabilities | Unemployed | |
| Labour force | Child benefit, school meals, orphan support | Social insurance maternity | Social insurance disability benefit/ work injury | Social insurance unemployment benefit | Contributory pension |
| Outside the labour force | | Pregnancy allowance | Disability allowance | Public works programme | Social pension (benefit and affluence tested) |
| All | Universal healthcare Public Distribution System | | | | |

If the programme is to effectively achieve this overarching objective, there are fundamental implications for its design, namely:

a. **Prioritising eligibility**

As mentioned above, PWP are self-targeted, as only those willing to undertake the work for the wage set by the programme will apply. However, where programmes aim to meet minimum wages, demand may exceed supply, and eligibility may need to be narrowed by certain criteria. In the case of the PWP in Iraq, the initial phases of the programme could consider prioritising working age and able-bodied adults who are currently in receipt of or eligible for the Social Safety Network, using the SSN registry as a basis ¹. Given the high youth unemployment discussed earlier, prioritizing younger recipients (aged 20 to 35) to promote their entrance into the labour market might be considered. This would maximise the poverty impact of the programme and promote skills acquisition and integration of young persons in the labour market to support them sustainably exit poverty.

However, the more vulnerable the target participants are, the harder it may be to support them to transition into decent employment, and the range of complementary services and trainings (see below) would need considerable attention to ensure success. Considerations could be made to include first those who are closer to the labour market or have prior work experience.

In following phases, eligibility could be progressively extended outwards from the SSN programme, with specific categories prioritized in successive waves. These could include, for example, the long-term unemployed (e.g. unemployed for over a year), youth aged 20-35, households with high dependency ratios, internally displaced populations, etc... Importantly, the design of the programme will need to be adapted based on the employment and social protection needs of the participants, pointing to the need for continued assessment and revision of the programme design to best meet the needs of the participants.

Box 3: PWP and durable solutions in Iraq

Iraq currently hosts a large number of (mostly Syrian) refugees as well as internally displaced populations as a result of conflict, and there are also clear indications that climate change is already contributing to displacement in Iraq. Humanitarian assistance for these populations (which currently dominates the support received) is understood to face significant funding cuts in the near future, putting pressure on all stakeholders to identify sustainable and government-led solutions to supporting forcibly displaced populations to become self-reliant. A PWP could play a key role in these efforts by ensuring inclusion of (both existing and future) forcibly displaced populations and supporting participants to become resilient through access to decent employment.

¹ To take account of the current exclusion errors in the Social Safety Network programme.

It is important to highlight that the proposal is not to limit one households' eligibility to a single programme envisioned in the social protection floor. For a social protection floor to be effective in alleviating poverty, it is important that each individual is able to effectively access relevant support when facing lifecycle risks, and therefore that a given households' eligibility for one of the proposed programmes does not preclude eligibility to any other, as a single household may face multiple lifecycle risks. Thus, the proposed PWP should be considered as complementary with all the other proposed programmes, with eligibilities set at the individual rather than the household level, and would represent an incentive for people to access additional income support through the programme.

b. Enrolling participants into social security for private-sector workers

The PWP programme could be designed to facilitate the enrolment of participants into the **social security scheme for private-sector workers**. There is currently limited coordination between social assistance and social insurance schemes in the country, leading to wide gaps in coverage, and illustrating the lack of vision for a sustainable exit strategy for social assistance. As the main objective of social security is to prevent workers and their families from falling into poverty in the face of lifecycle risks, and as the PWP is to be designed to support participants to find (private-sector) employment after their participation in the programme (more on how this could be achieved below), enrolling PWP participants into the social security system would represent a simple mechanism to contribute to the sustainable transition of participants out of poverty.

In such a way, when participants move into employment, procedures for registering them with the social security system would be facilitated, as their information would already be in the database, and employers would simply need to update that information ². In turn, the programme could integrate awareness raising sessions for participants on rights and obligations under the social security scheme, thus representing an effective mechanism to sensitize participants on such issues and encouraging participants to seek out formal employment after their participation in the programme.

Linking the PWP to the SSN programme and the social security scheme in such a way would require the PWP MIS and database to be interoperable with those held by both schemes, ideally facilitated by the planned single registry for social protection, with clear data sharing rules. The programme would also rely on social workers – also proposed in the UN position paper – to support in identifying individuals in receipt of – or eligible for – the SSN for whom participation in the PWP would be relevant.

2 Policymakers could also consider the different ways in which work in the PWP would contribute to participants' social security contribution history. This would be essential for the role of the programme in promoting formalisation, but also to bring participants closer to becoming eligible for entitlements under the scheme (which currently include work injury, sickness, disability, and pensions). For example, the programme could potentially make contributions on behalf of participants to the social security system for any time spent participating in the programme. Alternatively, the programme could consider adopting a credit system within the social security scheme, whereby any time spent participating in the PWP would earn participants credits towards their contributory history. While in both cases the outcome is the ultimately the same for participants, the difference is essentially an accounting one, but also presents implications for the perceived role of the programme, which in the first case would represent a de facto employer. In the case of the former, considerations would also need to be made about the need for – and ability of – participants to also make social security contributions based on the paid wage

Box 4: Lessons from the Employment Intensive Investment Programme (EIIP) in Iraq

Under PROSPECTS³ partnership, the ILO is implementing an EIIP in Iraq to help generate decent jobs for forcibly displaced persons and host community members through green work interventions, including improving the efficiency of irrigation systems, forestation and solid waste management. Moreover, the project aims to engage young engineers in the implementation of construction works to allow practical trainings and skills development.

The approach optimizes the use of local resources throughout the project cycle, including local labour and technologies, as well as locally available materials, tools and equipment. Moreover, this approach encourages the engagement of all relevant stakeholders: target communities, local service providers including small contractors, and local governments. Participatory processes are ensured during the consultations to enable vulnerable groups in the community, such as women, youth, people with disabilities, IDPs and refugees have a voice in decision-making and to actively participate in the development and implementation process.

The ILO is also supporting the integration of the EIIP methodology into existing programmes implemented by other UN agencies. Under the EU-trust fund – Madad – the ILO works jointly with UNESCO to apply employment intensive (EI) approaches within cultural heritage conservation works, whereby the EI approach provides support in improving working conditions, and developing technical skills related to historical sites conservation works. The ILO also supports the UNDP to shift from cash-for-work modalities into EIIP concepts. Although the size of project was small in terms of budget and time frame, it provided excellent learning experience for both agencies on how to improve employment creation activities during infrastructure rehabilitation works. More partnerships in Iraq are planned, such as housing and WASH sectors in coordination with UN-Habitat in southern areas.

c. Integrating relevant skills training and linkages with employment services

PWPs can contribute to the employability of participants simply by providing them with employment experience, but in order for the programme to maximize this outcome, it is essential to integrate interventions that contribute to upskilling and training. Indeed, high unemployment and underemployment rates in Iraq result not only from weak job-creation in the private-sector, but also from an underlying mismatch between the supply and the demand for skills. For one thing, educational attainment rates in Iraq are relatively low, with 33 percent of young people aged 15 to 29 unable to read and write, and a further 33 percent having only completed primary education (Government of Iraq, 2012; World Bank, 2017). In turn, there are clear skills gaps in the Iraqi labour force, including in terms of technical and vocational skills, soft skills, entrepreneurial skills, and computer skills (World Bank, 2018; UNICEF, 2022; Honeyman and Zuzek, 2020).

3 PROSPECTS: The Partnership has a four-year initial time horizon (2019-2023). Financially supported by the Netherlands and bringing together the International Finance Corporation (IFC), the International Labour Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children's Fund (UNICEF), and the World Bank will join their efforts to develop a new paradigm in responding to forced displacement crises.

A PWP cannot replace formal education, but it can integrate training interventions that can strengthen the skills – and therefore employability – of the participants. This can take multiple forms, whether through on-the-job-training, enrolment of participants in TVET schemes, the provision of training alongside work, etc... Decisions about the right type of skills-training (or mix thereof) will have to take account of the existing level of skills and career ambitions of the participants on the one hand, but also of the types of skills in demand – currently, but also in the future - in the private sector. It is essential, therefore, that such decisions be made on the basis of robust evidence on both counts⁴. More fundamentally, the feasibility of this type of approach will depend heavily on the availability of training services in the locations in which the programme is expected to be implemented. Such an approach might therefore require concomitant enhancement of the availability and quality of skills training provided both by government, NGOs and private-sector providers.

The inclusion of relevant skills training interventions also has implications both for the duration of the employment provided, and for the types of projects that could be undertaken in the programme. Firstly, there is evidence to suggest that the skills gap in Iraq is not likely to be addressed by short training interventions (of less than 6 months) (UNESCO, 2019), and the participation duration should therefore be cognizant of the type of training required, if this is to be effective in promoting the employability of participants. Secondly, it would be important that the projects to be undertaken under the programme provide participants with the opportunity to gain skills that are relevant and transferable to the private sector (more on this below).

In addition to skills training, it would also be important for participants to be referred to complementary employment services, including career guidance and counselling, job matching interventions, relevant job fairs, etc... as a way of providing additional support to transition into decent employment after their participation in the programme. The Government of Iraq is currently working to extend the availability and scope of such support services, including through the establishment of a Digital Employment Platform which would streamline provision and access to various employment services. Linking such an approach to the PWP would represent an interesting opportunity to bring it to scale, as well as an incentive to strengthen availability.

Box 5: Integrating skills training and employment support in universal job programme in Austria

The city of Mairienthal in Austria has recently launched a pilot “universal guaranteed job programme” aimed at providing employment to long-term unemployed and supporting them back into the labour market. Skills training and employment support are therefore key components of the programme design. Preparatory training is provided with tailored curricula, and training, counselling, skills development, support for self-initiative and complementary assistance continues during participants' employment on the programme (Kasy and Lehner, 2020).

⁴ The ILO plans to conduct a survey of the SSN's needs of recipients of work skills that can support decision-making.

Opportunities for promotion or advancement within the programme could also be considered, as an additional means of supporting participants to graduate. Some programmes adopted elsewhere include tiers of employment opportunities, including unskilled, semi-skilled, and professional opportunities, with related wage tiers, including in South Korea, where participants undertaking manual labour earned higher incomes than participants who did not (Lee, 2001). The PWP in Iraq could adopt this approach and be designed in such a way that participants can be provided with support to progress upwards between the tiers, thus gaining additional experience and qualified skills, potentially integrating a certification component as well.

d. Ensuring shock responsive programming

Across the world, PWPs have been used as a mechanism to respond to shocks. A clear example here is the creation or adjustment of many public works programmes to respond to the devastating social and economic impacts of the COVID-19 pandemic across the world (ILO, 2021). PWPs can represent an effective mechanism to respond to shock in several ways: by increasing the availability of employment where economic shocks lead to increased unemployment; by providing income support where shocks increase poverty and vulnerability, including through displacement; and in undertaking projects that repair or address the damages caused by climate-induced disasters, for example.

A prerequisite for a shock responsive system (and programme) is the maturity and effectiveness of the underlying implementation features. This has been starkly highlighted during the COVID-19 pandemic, where those social protection interventions that were the most effective (in terms of timeliness and coverage) in responding to the shock were those with mature systems. This includes, for example, up-to-date programme databases that cover a wider set of the population than just the participants; effective (and ideally digital) payment delivery systems; sufficient IT capacity to expand rapidly; linkages with early warning systems; and effective coordination mechanisms.

Many of these important features are currently missing in Iraq's social protection system, and it is therefore not likely that the programme will be effectively able to respond to shocks in the immediate term. However, policy makers can ensure that from the outset, the programme is designed in such a way that it can adopt shock-responsive properties when required capacity is indeed achieved. This would mean, for example, ensuring the programme database is interoperable with that of other social protection programmes, ideally by linking with the planned single registry (as noted previously). The programme design manual could also incorporate linkages with early warning systems, particularly as refers to climate disasters. Parameters could be set for the mobilization, management and disbursement of contingency funds, to ensure effective (or automatic) financing to any expansions. The programme implementation manual could also outline clear coordination mechanisms with humanitarian actors both within and outside of government. And decision-makers could already begin drafting contingency plans/implementation manuals outlining how the programme would be expected to respond to different types of shocks (economic versus environmental; nationwide versus regional/local; etc...; through vertical or horizontal expansion), and how its own response would complement that of other programmes, with clear roles and responsibilities

e. Guaranteeing decent public works

Finally, it would be essential for the programme to promote the principles of decent work in the employment created, as decent work deficits are closely associated with the persistence of vulnerability and insecurity among workers. The decent work principles, and their implications for the design and implementation of a PWP, include:

- Work that is **productive and delivers a fair income**. Wage setting in a PWP is one of the most crucial questions for policy makers. On the one hand, it must be set at a level that represents an effective form of income support for participants, whilst also not being too high as to represent a preferable alternative to (low paying and often informal) private sector employment. Robust assessments will be required to identify the appropriate wage rates. The principle of “primacy of transfers” should also be adopted, whereby the programme guarantees that wages be paid to participants even in the event that the programme is not able to provide the agreed number of workdays due to operational problems.
- Work that **ensures security in the workplace**. Considerations around the health and safety of participants in the programme should be paramount, particularly where projects present with high risks of work injury, such as construction. The programme should also integrate measures to compensate participants and their families in case of injury or death during programme participation.
- Work that **extends social protection for all**. As noted, PWP itself is typically considered as a social protection intervention, and the linkages between the programme and the wider social protection system (including social security) in Iraq are discussed above. Participants in the programme are also provided with paid sick leave during the participation of the programme, to uphold such principles within.
- Work that provides **prospects for personal development and social integration** – as discussed above in relation to the training and complementary employment services.
- Work that **ensures freedom for people to express their concerns, organize and participate in the decisions that affect their lives and contribute to enhancing social cohesion**. In the case of a PWP, this would involve ensuring that decision-making processes are inclusive and participatory (including the participation of worker and employer organisations, local communities, but also wider civil society), but also that the programme integrates grievance and redress mechanisms, where participants or applicants can raise their concerns and for these to be effectively addressed in order to promote social cohesion.
- Work that **ensures equality of opportunity and treatment for all women and men**. In the design and implementation of the programme it is crucial to ensure that there is no discrimination or unequal treatment between individuals based on their gender, but also their age, disability, citizenship status, and religious or ethnic affiliations. This is discussed in more detail below.

At the same time, it is important to ensure a clear distinction between participation in the PWP and public-sector employment, lest participants expect to receive the same benefits as public employees or continued public-sector employment. To this end, it is crucial to clarify the specific employment framework and conditions, and for participants to be familiar with these prior to their engagement in the programme.

Box 6: Upholding respect for worker rights in PWPs

In Lebanon, PWP-type programmes have been adopted by a range of actors (both within and outside government) as a means of responding to the refugee crisis by providing employment opportunities for both hosts and refugee populations. The Government of Lebanon, led by the Ministry of Social Affairs and the Ministry of Labour with ILO support, elaborated Guidelines to provide guidance and harmonize approaches in the implementation of employment investment projects, based on 10 overarching principles, including decent work, equal participation for women, and non-discrimination on the basis of disability (MoSA, MOL and ILO, 2020).

Similarly, South Africa, an upper middle-income country also experiencing high unemployment rates, implements a large-scale Expanded Public Works Programme in which a strong training component is embedded. Labour standards and conditions of employment in the programme are outlined clearly in several documents, including the Ministerial Determination for EPWP, the Learnership Determination, and the Code of Good Practice for Special Public Works Programmes (Shai, 2021). For example, the latter document “provides guidelines for the protection of workers engaged in EPWPs, taking into account the need for workers to have basic rights” (Government of South Africa, 2011, p. 3).

2.2. Identify the optimal mix of assets and services to be created/provided under the programme to maximize impacts

As noted previously, one of the three overarching objectives of any PWP is to contribute to the creation of assets/infrastructure or the provision of services, in such a way that increases the labour intensity of the work required. There is a wide variety of assets and services that can be created or provided under such programmes, the choice of which depends on a wide mix of factors.

Decision-making on the types of projects to be conducted are made at multiple levels. Ultimately, decisions about the specific projects to be conducted under a given programme are to be made by local authorities and communities, who have the most accurate knowledge of the key priorities and specific needs in their local areas. However, central-level authorities can set parameters or guiding principles/SOPS within which such decisions can be made. In setting such parameters (or identifying the menu or ratio of projects), it is essential that the decision-making process involve all relevant line ministries (including ministries of transport, construction, agriculture, etc...) to accurately reflect the most pressing priorities in each sector, based on a robust needs assessment.

Importantly, multiple types of projects – whether contributing both to infrastructure, construction, or services - can be implemented by the same programme. There are multiple examples from across the world of a given PWP contributing to the creation or provision of different types of assets or services, reflecting the diversity of the participants' skills levels and ambitions, but also the different priorities set out by the sub-national authorities.

In Iraq, one could consider adopting a mixed approach to project selection, whereby on the one hand projects are based on national priorities that are likely to cross community borders (for example infrastructure projects but also nature conservation), and on the other project selection adopts a placemaking or area based approach where it is the local authorities that prioritise projects based on multisectoral needs assessment.

Box 7: Diversity of projects implemented in the Kinofelis programme in Greece

The Kinofelis programme in Greece provides employment opportunities to the long-term unemployed. Decisions about which projects to implement are made at the sub-national level, with a focus on meeting local priorities relating to the economy and society. Another key factor taken into consideration was the existing educational level and skills of the participants, with project selection aiming to harness and build on participants' strengths. As a result, a highly diverse range of initiatives have been implemented under the programme, including:

- Cleaning of aqueducts to improve water quality.
- Rehabilitating of green spaces and urban greening initiatives
- Digitising of municipal archives
- Organising sporting events such as marathons and triathlons
- Providing care services for the elderly, children and people with disabilities
- Creating cultural programmes
- Upgrading social buildings, including schools
- Providing social support to address domestic violence

Source: ILO, 2018

Key factors to consider when identifying the optimal mix of assets and services to be created or provided under the programme include:

- What assets and services will contribute most to the public good and economic growth?
- What assets and services can benefit all of the Iraqi society, particularly the most vulnerable?
- What type of work can complement - rather than crowd out or replace - private sector provision on the one hand and core state responsibilities on the other?
- What type of work is most likely to strengthen skills that are in demand in - and transferable to - the private sector?
- What type of work is relevant to the educational level and skills of the participants, and can uphold their dignity?
- What type of work can promote the inclusivity of the programme?

Iraq faces some shortages towards which a PWP is well placed to contribute, this may include:

a. Invest in assets and infrastructure to promote economic growth

The weak infrastructure environment across the country is identified as one of the key factors hindering economic growth – and therefore job-creation - in the private sector. There is already some impetus for a PWP in Iraq to contribute to infrastructure upgrading activities, as outlined in the White Paper for Economic Reform of 2020 and the Iraq Reconstruction and Investment Plan of 2018. Indeed, one way in which PWPs can achieve long-term outcomes is in the creation of productive assets that contribute to wider economic growth. And where such economic growth translates to private-sector job-creation, such approaches can also maximize the employment outcomes of the programme.

Examples of the types of infrastructure projects that may have the most impact on the Iraqi economy, and which are prioritized by the government, include transport (including rehabilitating and upgrading transport links, such as roads, bridges, ports and airports or establishing new public transit systems within and between urban and rural locations); electricity (including upgrading and expanding transmission and distribution networks for electricity; and investing in renewable energy infrastructure); agriculture (including rehabilitation of agricultural land, strengthening the agricultural sector's capacity to withstand the effects of climate change (including by restoring ecosystems, rehabilitating watersheds, and reforestation), modernising irrigation systems, and strengthening food processing capacity); and tourism (including rehabilitation of historical monuments and sites, and construction or rehabilitation of tourism facilities and assets).

At the same time, it is essential for the programme not to crowd-out or replace private-sector engagement and investment. Engaging private-sector actors in the programme in a transparent and accountable manner would be essential, including potentially as partners in the implementation or oversight of the works, but also as suppliers. The programme should also be linked with wider policies to strengthen the capacity of the private sector to meet the increased demand resulting from higher income among participants. The programmes' impact could here be maximized by prioritizing engagement with medium- and small-enterprises/contractors, as a means of supporting their businesses to grow, including potentially by integrating business development training ⁵.

b. Filling gaps in social infrastructure and services to tackle multidimensional poverty

PWPs can impact on the poverty status not only of participants by providing them with income support through employment, but also on multidimensional poverty within the wider society, by integrating projects that aim to complement gaps in the provision of social services or create or rehabilitate social infrastructure. This should be a key priority for the programme in Iraq, where such gaps are persistent, due in part to inadequate government funding for such services, but also because of the reconstruction needs of key social infrastructure following their destruction during the past conflict. Integrating PWP in such priority areas would also ensure that these types of projects include a job-creation lens.

⁵ The ILO has contributed to improving the capacity of small-scale contractors involved in infrastructure development throughout the world, including in the contexts of public work programmes. Here, the ILO has identified several strategies, based on the four pillars of: enabling environment; appropriate management of contracting and administrative capacity; building capacity; and knowledge and skills on labour practices and social and environmental safeguards. For more information, see (ILO, 2020b).

For example, **educational** attainment rates in Iraq are hampered by key shortages⁶, including in terms of the quality of the educational infrastructure (e.g. overcrowded classrooms, poor quality facilities, absence of technology infrastructure), the number of key personnel, and the accessibility for people with disabilities (ECI, 2021). Early childhood education services are also limited, and the latest Multiple Indicator Cluster Survey finds that only 2.4 percent of all children aged 36 months to 59 months had attended early childhood education programmes (CSO, 2018). With the recent launch of the National Strategy on Early Childhood Development and planned social protection interventions aimed at addressing the demand-side barriers for early childhood services, there is great impetus to strengthen the availability and quality of services.

The same issues of quality of infrastructure, accessibility and staffing ratios also affect the **healthcare** sector, which were highlighted in the response to the COVID-19 pandemic and have negative effects on public health (PHR, 2021). There are some shortages in the quality and availability of primary healthcare, but also in specialised services, and the system also has an almost complete absence of home-based health care services, including for the elderly and people with disabilities. Safety and health measures are also inadequate within the healthcare system, as demonstrated by the recent fires that broke out in medical facilities in Nasiriyah and Baghdad.

Iraq also faces a shortage of affordable or social **housing**, as in 2010 (before the Daesh conflict) the housing shortage was estimated at 1.4 million units, and hundreds of thousands of residential buildings were impacted by the conflict (Government of Iraq, 2018). It is also expected that 670'000 new units will be required annually to accommodate the population growth (Ministry of Construction and Health, 2010). These shortages have resulted in overcrowding and a spike in informal settlements, with related hazardous living conditions.

All this points to the clear and urgent need to strengthen the quality and availability of social infrastructure and services, areas in which PWP could make a significant contribution. Relevant projects here could be divided into two categories. The first would focus on construction, upgrading and rehabilitation of key social infrastructure, including of schools and early childhood education facilities, healthcare facilities (with a clear focus on improving safety), and social housing. Another example of interventions that are quite common across the world include in the creation and maintenance of vegetable gardens within or close to school grounds, as a means of producing ingredients for use in school meals – as proposed in the position paper – thereby establishing a clearer link between PWP and other key social protection interventions.

The second would be in the provision of non-professional/non-specialist auxiliary services, such as teaching assistants or aides (including in early childhood care), maintenance work such as cleaning, cooking, and auxiliary home-based care services for the elderly, people with disabilities or those with chronic illnesses. Work that involves care of children or vulnerable people would require some basic level of training prior to the employment itself (including on safeguarding measures), to ensure participants are equipped to perform the duties involved. However, such training and employment experience could later be transferred to more permanent employment opportunities when the Government begins to invest more substantially in these sectors, or where the private-sector steps in to complement state provision.

⁶ For example, Iraq invests the least share of national budget in education of any country in the Arab States region (UNICEF, 2021).

Box 8: Social work and small construction in Argentina

In April 2002, in the midst of steeply rising unemployment and poverty, the Government of Argentina began implementation of the *Jefes y Jefas de Hogar Desocupados* (“unemployed heads of household”) – replacing a previous public works programme. The government acted as Employer of Last Resort (ELR) providing assistance to households which included children, people with disabilities and pregnant women, in exchange for four hours of daily work by the head of household (or reintegration in training programmes). The types of work undertaken as part of the work focused largely on social infrastructure, community services, small construction and maintenance activities, but also included care services (including for children and the elderly), community or school kitchens, but also construction of social housing. Administrative data indicates that between 2003 and 2006, some 5'827 projects were approved under the programme, of which 1'834 were in educational infrastructure, 1'636 in health infrastructure, and 883 in social infrastructure.

Source: Subbarao et al., 2013

c. Supporting Iraqi society and economy to face 21st century challenges and opportunities

While the Iraqi economy and society are already faces the challenges outlined above, the country will also have to contend with new, emerging challenges (and opportunities). These include reducing contributions to – and mitigating the impacts of - climate change, rising urbanisation caused by high population growth, and the spread of digital technologies throughout society and the economy. These phenomena present direct threats to the Iraqi society and economy, but also, in the case of the latter, present an opportunity. Innovative PWP programmes have been adopted across the globe aimed at addressing these challenges – or taking advantage of related opportunities.

Iraq is highly vulnerable to the effects of **climate change**, while population growth is placing increasing pressure on natural resources. Water scarcity and droughts caused by the reduction in rainfall and the falling levels of the Tigris and Euphrates rivers are already affecting Southern Iraq. The reduction in rainfall – combined with inappropriate farming practices – is also contributing to increases in the rate of desertification, affecting livelihoods and thereby contributing to internal displacement (United Nations Inter-Agency Information and Analysis Unit, 2012; World Bank, 2022; IOM, 2022).

Here, projects under the PWP could aim to contribute to the reduction of greenhouse gas emissions, mitigate the impacts of climate change by strengthening resilience, and the restoration of ecosystems upon which many productive sectors – including agriculture – depend. In the case of the former, projects could aim to contribute towards the move to generate more renewable energy, including in the form of solar panel installations, or installation of solar water heaters in social housing and public buildings; retrofitting or upgrading public buildings to become more energy efficient; collecting and recycling waste materials; or greening and tree planting initiatives. In the case of the latter, projects could aim to combat soil erosion and desertification; improve irrigation; reforestation and guarding of protected areas; or, more broadly, responding to natural disasters by reversing the damage caused. Adopting such types of projects would also enable participants to gain skills which will be in high demand in the

future, given the increasing number and intensity of climate-induced disasters, and the urgency of reducing national contributions to climate change. One could consider partnering with local NGOs undertaking this type of work, including Iraq Nature, in the selection or implementation of such projects.

A second trend that will become an increasing challenge for the Iraqi society is the rapid **urbanisation** process. Over 70 percent of the Iraqi population already live in urban areas, and the high population growth will increase pressures on urban infrastructure and services. Several factors – including displacement and housing shortages - have also led to the spread of informal settlements across the country, with recent estimates suggesting that there are just under 1'700 such settlements, in which 3.2 million people currently live (UN-Habitat, 2017). Populations in these areas face deprivations in terms sub-standard living conditions, and limited access to basic services such as health, education, electricity and water and sanitation.

Multi-sectoral interventions are required to improve the living conditions in these areas, but also to enhance urban planning to ensure cities in Iraq are better able to accommodate the predicted growth in urban populations. As mentioned above, PWP can adopt a range of projects related to infrastructure and social services which would be relevant to wider urban upgrading programmes. A PWP could therefore be integrated with municipal urban upgrading and planning programming as a means of ensuring interventions increase labour intensity of the work required and contribute to employment creation.

Box 9: Disaster response and climate change mitigation and adaptation in Mexico

Mexico is an upper middle-income country which has demonstrated great innovation in its social assistance programme design and implementation. In 2000, the Government began the implementation of the *Programa de Empleo Temporal* (temporary employment programme). The programme aims to “couple a government’s response to climate or environmental disasters with social assistance”, designed as it was following a series of devastating climate-induced disasters, including droughts, cyclones and storms. The programme is implemented by the Ministry of Social Development in close partnership with the Ministry of Agriculture and Rural Development, the Ministry of Natural Resources and Environment, and the Ministries of Labour and Communications. While the programme covers a range of interventions, there is a strong focus on climate change adaptation at the household level, environmental conservation at the community level, and has integrated a new disaster response component to provide support to households and areas affected by climate shocks.

Source: Norton et al., 2020

Finally, the rapid expansion of **digital** technologies around the globe has created enormous opportunities across all aspects of life, and present significant benefits for governments in achieving greater efficiencies in the management and delivery of public services. Iraq has, however, yet to capitalize fully on what these new technologies have to offer. Iraq lags behind its neighbours in key indicators relating to ICT infrastructure coverage, including in terms of the percentage of individuals using the internet (49 percent), and share of population with 4G coverage (25 percent) (Cusolito et al., 2022). Uptake among businesses is also relatively low, with only 21 percent of firms using email, and 15 percent of firms having their own website. By regional standards, Iraq also ranks low on the E-Government Development Index. Indeed, many business processes within government remain unautomated, many databases are still paper-based, and delivery systems could benefit significantly from the wider adoption of such technologies. The Iraqi population is also relatively unable to adopt new technologies, with a recent UNICEF study finding that only 59.2 percent of young people aged 15 to 24 have the digital skills required to perform basic computer-related activities, for example (UNICEF, 2022).

While the concept of “digital public works” is still relatively new, international examples of PWPs engaging in “digital” works are beginning to emerge, and there is enormous opportunity in Iraq for trialling such approaches whilst also representing an opportunity to strengthen the digital skills of participants. Examples of the types of projects that could be adopted here include digitizing public records (or historical documents ⁷); collecting geospatial data for urban planning; or any other initiative that could contribute to strengthening efficiency in the delivery of public services.

2.3. Streamline inclusivity in the programme design and implementation

As outlined previously, certain population groups – namely women, youth, people with disabilities, forcibly displaced populations, and ethnic or religious minorities – are more heavily affected by unemployment or underemployment, are more likely to be outside the labour force, and/or represent a disproportionate share of those living near or below the poverty line. These are due to a wide range of factors hindering their access to decent work, including discrimination, unequal treatment, social norms, limited employment experience, and many more.

A PWP in Iraq should work proactively to reverse these inequalities and promote decent work for all and enhance social cohesion in the society, by enshrining the principle of inclusivity within the programme design and implementation. Inclusivity refers not only to guaranteeing equitable access to the employment opportunities created under the programme and equal treatment for all, but also ensuring that the assets and services created serve all members of society and respond to the needs of these populations. This requires for decision makers to take account of the barriers faced by these groups from the outset, and the decision-making process itself must be inclusive for this to be effective.

Ensuring equitable access begins with the **recruitment and registration** process itself. Expanding the number of caseworkers in Iraq would be an important complementary measure here, as they would play a key role here in raising awareness and referring eligible individuals to the programme, including among SSN recipients if these are indeed to be prioritized. More widely, this means ensuring that mechanisms used to recruit participants and raise awareness about the programme are localized and attentive to the use of language, messaging and channels

⁷ See for example, a planned initiative by UNESCO to support in preserving historical documents for Iraq's cultural heritage.

of communication to ensure this is accessible to all. It also means enshrining the principle of non-discrimination in the recruitment process and ensuring programme implementers are adequately sensitized. Some programmes have also included specific quotas for women and people with disabilities, but such approaches must also be combined with proactive efforts to promote participation if they are to be effective.

The **types of projects** adopted under the PWP can also indirectly affect access, where certain types of work may not be suitable or attractive for these populations. For example, people with certain types of disabilities may not be able to participate in projects involving physical labour, while women may not seek to participate where the programme focuses on construction activities – a male-dominated sector in Iraq. Inclusion here therefore reinforces the importance outlined above of adopting a mix or balance of projects within the PWP, offering a menu of works that can be both attractive and suitable for all. For example, in South Africa the Social Sector Programmes arm of the Expanded Public Works Programme recruits mostly women. In Austria, a scheme implemented in response to the COVID-19 pandemic targeted primarily people with disabilities, offering them “digital work” which they could perform from their homes (Davern and Currie-Clark, 2021). Digital work may also be an attractive opportunity for youth where it strengthens core digital skills. Including differentiated tasks in such a manner can promote inclusion but must also ensure not to reinforce stereotypes.

Ensuring **equal wage** for comparable work is also an essential component to promoting equal access and setting a daily wage rather than a piece-rate remuneration is also more likely to promote equal pay. It has also been argued that such an approach can set an example to be followed in other sectors where a pay gap persists (Antonopoulos, 2007).

Promoting equal treatment and equal access also affects on **the manner in which the work is organised and conducted**, ensuring that this does not entrench existing barriers faced by these populations. For example, in some programmes there are clear guidelines about the location of the work site, and the maximum distance this should be from participants' homes, to promote access but also address security concerns. Providing flexible working hours, or shorter working days, could also be embedded in the programme implementation to take account of the care responsibilities of women for example, or complementary training activities of younger workers. Where culturally appropriate, options may also be considered to arrange for separate work teams for men and women, as was practiced in the EIP programme in Jordan. Childcare facilities to support women's participation could also be envisioned, as recommended by a review of a cash-for-work programme implemented by UN-Women in Iraq targeting refugee women (UN-Women, 2021). In all cases, it is essential for the programme implementers to adequately represent and reflect the diversity of characteristics of the Iraqi population.

Ensuring the PWP is inclusive also refers to the **inclusivity of the assets and services produced or delivered** under the programme. Here decisions about the types of assets and services to be created should take account of the specific needs of women, people with disabilities, youth, forcibly displaced populations, and ethnic or religious minorities, in order to identify what types of projects can best meet those needs. In such a way, the programme would itself aim to be inclusive whilst at the same time promoting inclusion (and addressing multidimensional poverty) of disadvantaged populations within the wider society. Some examples have already been provided in the previous chapter, including the provision of early childhood support services which would contribute to human capital development but also support women - for whom

caring responsibilities represent a barrier to employment - to enter the labour market. Home-based care services for people with disabilities and people with chronic illnesses would enhance the programme's contribution to the provision of essential services currently unavailable to these populations, while work to upgrade or reconstruct public buildings or schools could include a focus on ensuring that these are accessible to people and children with disabilities. Meanwhile, access to safe and affordable housing is one of the key needs for forcibly displaced populations, so such interventions could be prioritised in geographical locations with a high density of internally displaced people and refugees.

Box 10: Inclusive design and implementation in South Africa and Jordan

The Expanded Public Works Programme (EPWP) in South Africa mainstreams gender equality in the design and implementation. The quota set for women's participation (e.g. 55 percent) is responsive to the labour force indicators on women' labour force participation and unemployment rates. The programme integrates projects designed to be attractive to women, including in social services and care, and contractors under the programme are obliged to provide equal pay for work of equal value, and to provide separate toilet facilities for men and women (Barca, 2019).

The EPWP also has a quota of 40 percent for youth participation, again in recognition of the high rate of unemployment among youth. To tailor the programme to the needs of this group, the EPWP includes a "National Youth Service" component which engages young people for a period of 1-year, providing them with life skills, technical training, counselling, with a focus on building maintenance. Evidence from the programme also highlights that "the type of work can influence the level of youth participation", pointing to the importance of ensuring diversity in the types of works adopted (Lieuw-Kie-Song, Puerto and Tsukamoto, 2016, p. 15).

An Employment-Intensive Investment Programme implemented in the northern part of Jordan, with donor funding, includes participation of refugees and integrates core gender-sensitive components. The programme aims to achieve equal work distribution between Jordanians and Syrian refugees and includes additional interventions to support refugees to enter into employment, particularly through support to access work permits. In turn, the project developed a gender strategy to mainstream gender through the project cycle, including in the creation of gender friendly work environments, zero tolerance for sexual harassment, and training tailored for women in technical and soft skills (ILO, 2019b)

To ensure the inclusiveness of the programme, it is important for the decision-making process itself to be inclusive, which would involve the active participation of civil society, NGOs and community-based organisations.

3. AFFORDABILITY OF PUBLIC WORKS PROGRAMS IN IRAQ

3.1. Cost Comparison of PWP in Selected Countries

The choice of programme design parameters and implementation feature will impact (and be constrained by) the overall programme cost, including the wage rates and distribution thereof, breadth of training component and complementary services, duration of participation, coverage, type of work undertaken and labour intensity, etc. The table below provides a brief overview of the indicative cost (as a share of GDP) for programmes implemented in a number of countries in comparison to the number of jobs created as a share of the labour force.

Table 1: Indicative Financing Estimates and Impacts

| | Total # of PWP jobs/ annum # | Total # of person years/ annum | Total labour force | Jobs as % of labour force | Person years as % of labour force | Programme cost as % of GDP |
|---|------------------------------|--------------------------------|--------------------|---------------------------|-----------------------------------|----------------------------|
| South Africa: Expanded Public Works Programme I (2006/2007) | 200'000 | 70'000 | 16'000'000 | 1.30% | 0.44% | 0.2 |
| Indonesia: Padat Karya (PK) (1998/1999) | 1'481'481 | 181'818 | 92'000'000 | 1.60% | 0.20% | 0.2 |
| India: National Rural Employment Guarantee Act (NREGA) (2006/7) | 21'200'000 | 4'109'091 | 427'000'000 | 5.00% | 0.96% | 0.3 |
| India: National Rural Employment Guarantee Act (NREGA) (2008/9 estimate) | | | | 15% | 3% | 1 |
| Ireland: Community Employment Programme (1990s) | 41'000 | n/a | 1'400'000 | 2.90% | n/a | 0.18 |
| Ethiopia: Productive Safety Nets Programme (2006/7) | 1'500'000 | n/a | 31'000'000 | 4.80% | n/a | 2 |
| Senegal: Agence d'Exécution des Travaux d'Intérêt Public contre le sous-emploi (2004) | 21'000 | n/a | 4'500'000 | 0.50% | n/a | 0.8 |
| USA: new deal programmes (1933 1940 average) | n/a | n/a | 53'000'000 | 3.4 - 8.9% | n/a | 3.9 |
| Argentina: Jefes y Jefas de Hogar (2003) | 2'210'000 | n/a | 17'000'000 | 13% | n/a | 0.9 |

Source: McCord, 2007

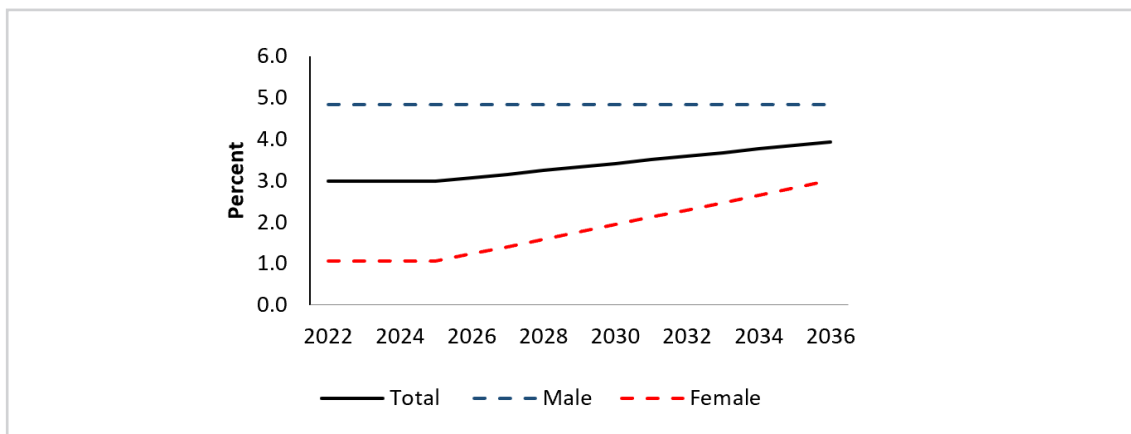
3.2. Projection of a PWP in Iraq

To arrive at cost estimates for a potential PWP in Iraq, the study built a projection model that is divided into two parts: first, a projection of the underlying factors (demographic, labour force, and macroeconomic), which is detailed in Annex 1; and secondly, under a set of assumptions on the programme design parameters; projection of coverage of the proposed PWP, wage level, and overall costs are made and detailed below:

a- Projection of workers of PWP.

The first assumption that needs to be specified is regarding the targeted population. As discussed, the high unemployment rate, particularly among the youth, is a major concern, while the absence of exit strategy for people of working age in receipt of the SSN could be redressed through a PWP. Both elements need to be factored in while determining the PWP target population. Therefore, a good starting point is the recipients of the SSN. Currently, the SSN covers a total of 316,342 recipients aged 20-35 (261,754 male and 54,588 female) (MoLSA, 2022), which represents 3.0 percent (4.83 percent and 1.05 percent for male and female population, respectively) of the population aged 20-35 in Iraq in 2022. The study uses this ratio as the targeted population of the PWP as a percentage of the underlying population age 20-35, and is assumed to remain fixed until the end of projection period (2036) for male population. However, given the low female coverage rate in the first year, it is assumed that this ratio will increase gradually from 1.05 percent in 2025 to reach 3 percent by 2036.

Figure 4: PWP target population as a percentage of the underlying population aged 20-35



The study assumes a coverage rate of 50 percent of SSN recipients aged 20 to 35 in 2022, increasing to 80 percent by 2025 and remaining the same until the end of the projection period. This is the assumed coverage rate to take account of the need to progressively scale up the programme, but also to recognize that not all SSN participants aged 20 to 35 will likely be able to participate in the programme.

⁸ These assumptions are meant as a starting point. They (and many other parameters) can be changed in the costing tool and immediately one can see the cost implication of any change.

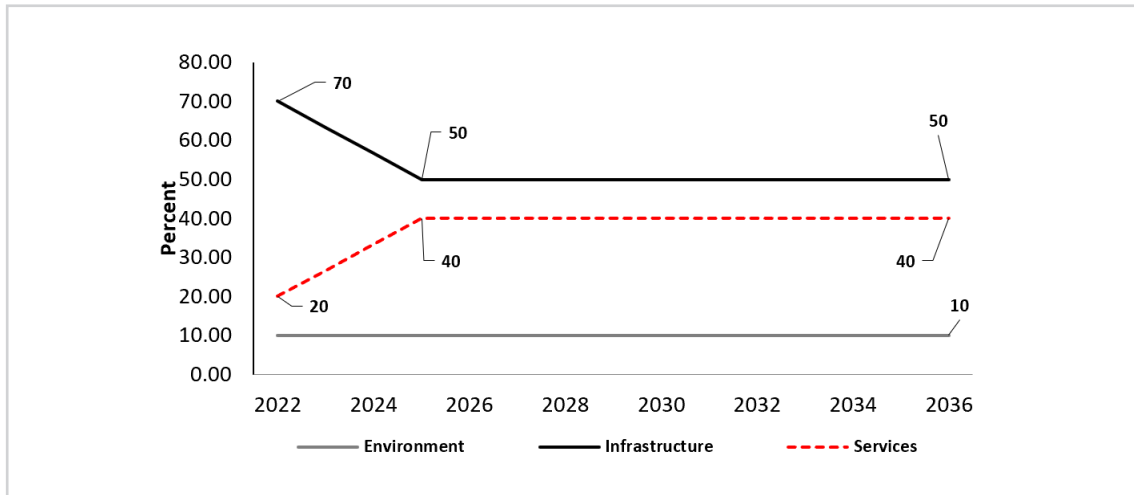
Table 2: Costing Results: Participants of PWP in thousands, male and female, 2022-2036

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2030 | 2036 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Population age 20-34, 000 | 10,619.583 | 10,858.152 | 11,093.871 | 11,329.579 | 11,537.846 | 12,414.003 | 13,966.993 |
| male | 5,417.97 | 5,539.93 | 5,660.37 | 5,780.72 | 5,887.76 | 6,338.15 | 7,137.20 |
| female | 5,193.80 | 5,310.42 | 5,425.69 | 5,541.05 | 5,642.19 | 6,067.60 | 6,821.03 |
| Targeted as a % of population age 20-34 | 3.0 | 3.0 | 3.0 | 3.0 | 3.1 | 3.4 | 3.9 |
| male | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 |
| female | 1.1 | 1.1 | 1.1 | 1.1 | 1.2 | 1.9 | 3.0 |
| Take up rate, % | 50.00 | 60.00 | 70.00 | 80.00 | 80.00 | 80.00 | 80.00 |
| male | 50.00 | 60.00 | 70.00 | 80.00 | 80.00 | 80.00 | 80.00 |
| female | 50.00 | 60.00 | 70.00 | 80.00 | 80.00 | 80.00 | 80.00 |
| Participants in PWP, 000 | 158.17 | 194.08 | 231.34 | 270.01 | 283.00 | 338.99 | 439.56 |
| male | 130.9 | 160.6 | 191.4 | 223.4 | 227.6 | 245.0 | 275.9 |
| female | 27.3 | 33.5 | 39.9 | 46.6 | 55.4 | 94.0 | 163.7 |
| Female % of total | 17.26 | 17.26 | 17.25 | 17.25 | 19.59 | 27.74 | 37.24 |

Source: Calculation is based on data from UN (2019), IMF (2022), and MoLSA (2022)

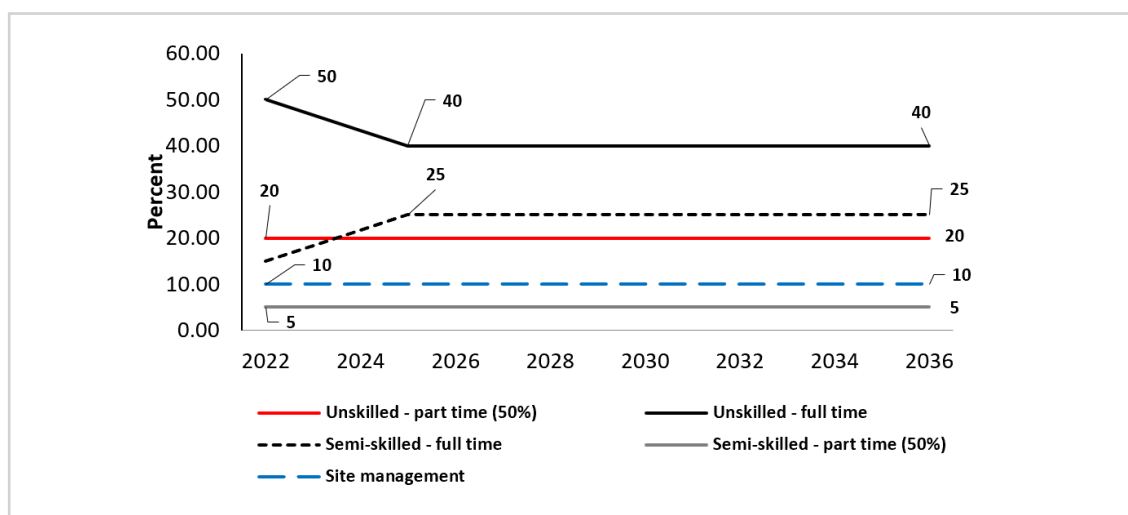
In turn, as outlined above, the PWP can engage in projects in many sectors. For the purposes of the costing, we assume the programme would be engaged in three broad sectors, namely: infrastructure, services, and the environment. In terms of the size of employment of each sector relative to the total employment in the proposed PWP, the following diagram shows the share of each sector to the total PWP's employment over the projection period.

Figure 5: Employment in each sector as a percentage of the proposed PWP's total employment, 2022 – 2036



The study assumes two levels of skills for programme participants: unskilled workers and semi-skilled workers. For each group, workers can join either on full-time basis or on part-time basis (50 percent of workload). In addition, it is assumed that site management is needed. The following diagram presents the relative share of each of these categories to the total employment in the PWP over the projection period.

Figure 6: PWP's workers by levels of skills as a percentage of the proposed PWP's total employment, 2022 – 2036



Using the above assumptions, the distribution of workers by the proposed PWP by sectors and level of skills are presented below.

Table 3: Workers in the proposed PWP in thousands, by sector and levels of skills, 2022-2036

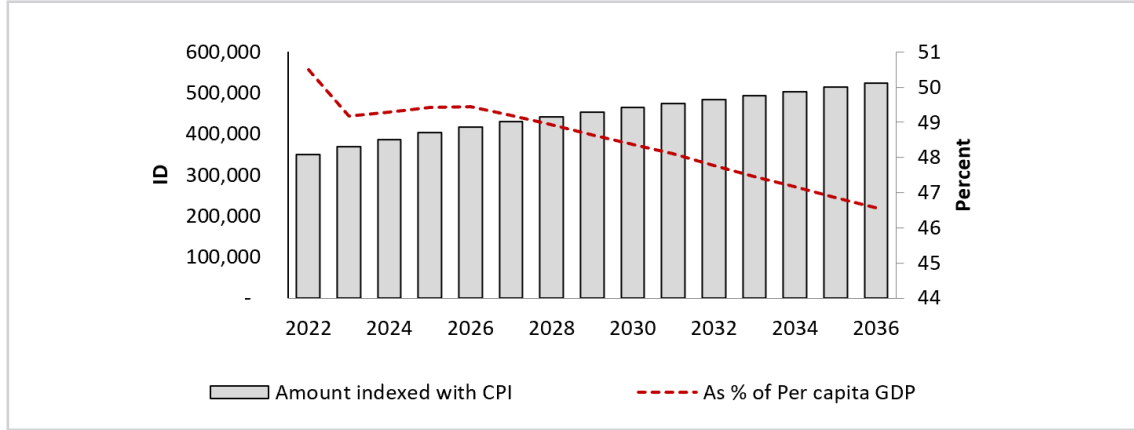
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2030 | 2036 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| PW workers by skills, 000 | 158.17 | 194.08 | 231.34 | 270.01 | 283.00 | 338.99 | 439.56 |
| Unskilled - full time | 79.1 | 90.6 | 100.2 | 108.0 | 113.2 | 135.6 | 175.8 |
| Unskilled - part time (50%) | 31.6 | 38.8 | 46.3 | 54.0 | 56.6 | 67.8 | 87.9 |
| Semi-skilled - full time | 23.7 | 35.6 | 50.1 | 67.5 | 70.7 | 84.7 | 109.9 |
| Semi-skilled - part time (50%) | 7.9 | 9.7 | 11.6 | 13.5 | 14.1 | 16.9 | 22.0 |
| Site management | 15.8 | 19.4 | 23.1 | 27.0 | 28.3 | 33.9 | 44.0 |
| PW workers by sector, 000 | 158.17 | 194.08 | 231.34 | 270.01 | 283.00 | 338.99 | 439.56 |
| Infrastructure | 110.7 | 122.9 | 131.1 | 135.0 | 141.5 | 169.5 | 219.8 |
| Services | 31.6 | 51.8 | 77.1 | 108.0 | 113.2 | 135.6 | 175.8 |
| Environment | 15.8 | 19.4 | 23.1 | 27.0 | 28.3 | 33.9 | 44.0 |

b- Projection of wages of PWP.

The 'base' wage for the programme is assumed at ID350,000, which is the current minimum wage, and represents a 50.49 percent of the per capita income for the same year. This base wage is assumed for the unskilled worker category. Over the projection period, wage is assumed to maintain real value in ID (indexed with inflation). However, as the economy is expected to grow in real term, wage level will decline in relative value over the projection period. At a later

stage, a periodic review of the real value of the wage can be introduced to ensure coherence and relevance.

Figure 7: Base wage in ID and as a percent of GDP per capita (right axes), 2022-2036



As for the wages of other categories of skills, the study assumes the salary of semi-skilled worker to be 150 percent of the base wage (minimum wage). Similarly, the wage for a site manager is assumed at 200 percent of the base wage (minimum wage). Part time workers are assumed to be given a salary proportional to those in full time for the same job category. As a result, the PWP's overall average wage is assumed to be 106.3 percent of the base wage (minimum wage) in 2020. Due to the change in proportion of categories of workers, as explained earlier, this percentage is assumed to increase to 111.3 percent of base wage (minimum wage) in 2025 and remain the same to end of the projection period. However, the wage structure changes in ID over the projection period reflecting the indexation of wages as discussed earlier. The following table traces the wage development across the different skills categories of workers.

Table 4: Wages in ID and as a percentage of 'base wage', by levels of skills, 2022-2036

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2030 | 2036 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Monthly base wage amount, ID | 350,000 | 369,018 | 386,823 | 403,135 | 417,682 | 464,647 | 524,294 |
| As % of Per capita GDP | 50.5 | 49.2 | 49.3 | 49.4 | 49.4 | 48.4 | 46.6 |
| Wage by skill level, % of base wage | 106.3 | 107.9 | 109.6 | 111.3 | 111.3 | 111.3 | 111.3 |
| Unskilled - full time | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Unskilled - part time (50%) | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| Semi-skilled - full time | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 |
| Semi-skilled - part time (50%) | 75.0 | 75.0 | 75.0 | 75.0 | 75.0 | 75.0 | 75.0 |
| Site management | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 | 200.0 |
| Wage in ID | 371,875 | 398,231 | 423,894 | 448,488 | 464,671 | 516,920 | 583,277 |
| Unskilled - full time | 350,000 | 369,018 | 386,823 | 403,135 | 417,682 | 464,647 | 524,294 |
| Unskilled - part time (50%) | 175,000 | 184,509 | 193,412 | 201,568 | 208,841 | 232,323 | 262,147 |
| Semi-skilled - full time | 525,000 | 553,526 | 580,235 | 604,703 | 626,523 | 696,970 | 786,441 |
| Semi-skilled - part time (50%) | 262,500 | 276,763 | 290,118 | 302,351 | 313,261 | 348,485 | 393,221 |
| Site management | 700,000 | 738,035 | 773,647 | 806,270 | 835,363 | 929,294 | 1,048,588 |

c- Projection of overall cost of PWP.

The overall cost of the programme includes three components: wage bill, capital expenditure, and other costs (management cost, training, intermediary, contingency). As for the wage bill of the PWP, the total wage amount is calculated as the product of the PWP's participants and the wage amount for each year in the projection period. For each worker, it is assumed that s/he will be offered a 6-months period of work.

As for the capital cost expenditure, the study assumes a labour intensity ratio for each sector. For the infrastructure sector, it is assumed that labour will constitute 50 percent of the budget cost for the sector. For the services sector, this ratio is assumed at 75 percent. And for the environment sector, this ratio is assumed at 60 percent. As for the overall labour intensity for the whole program, it is a weighted average (weighed against the labour used in each sector discussed earlier) of the three sectors, which will result in an overall labour intensity of 54.55 in 2022. Due to changes in the size of employment in each of the three sectors, this overall intensity ratio is assumed increase gradually to reach 58.88 by 2025 and remain the same until the end of the projection period. With these assumptions, capital expenditure is calculated for each of the three sectors.

Other costs included: management cost, training cost, intermediary, and contingency. These costs are assumed as a percentage of the labor and capital cost for each year. For management cost, it is assumed at 6 percent, whereas intermediary cost, training cost, and contingency cost are assumed at 5 percent each.

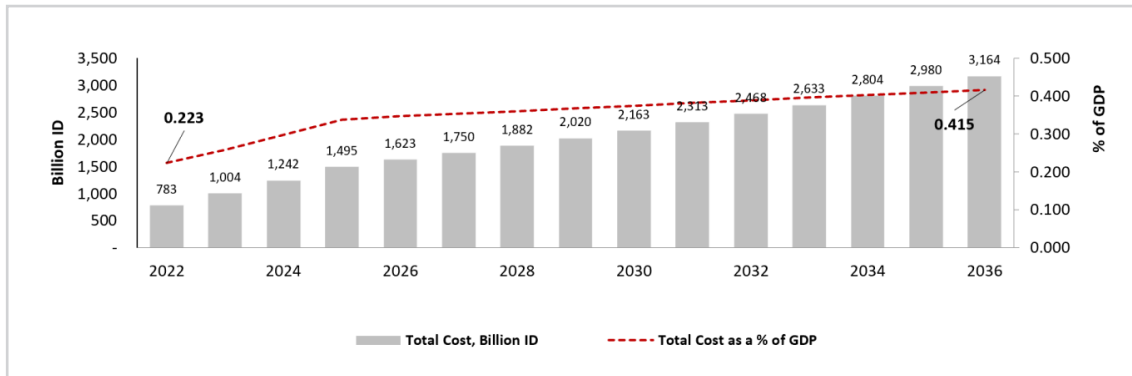
The following table presents the projected overall cost of the proposed PWP over the projection period.

Table 5: Total wage cost, capital cost, and other costs in billion ID and as a percentage of GDP, by levels sector, 2022-2036

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2030 | 2036 |
|--|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total wage bill by sector, billion ID | 352.9 | 463.7 | 588.4 | 726.6 | 789.0 | 1,051.4 | 1,538.3 |
| Infrastructure | 247.0 | 293.7 | 333.4 | 363.3 | 394.5 | 525.7 | 769.1 |
| Services | 70.6 | 123.7 | 196.1 | 290.6 | 315.6 | 420.6 | 615.3 |
| Environment | 35.3 | 46.4 | 58.8 | 72.7 | 78.9 | 105.1 | 153.8 |
| Total capital expenditure by sector, billion LC | 294.1 | 365.8 | 438.0 | 508.6 | 552.3 | 736.0 | 1,076.8 |
| Infrastructure | 247.0 | 293.7 | 333.4 | 363.3 | 394.5 | 525.7 | 769.1 |
| Services | 23.5 | 41.2 | 65.4 | 96.9 | 105.2 | 140.2 | 205.1 |
| Environment | 23.5 | 30.9 | 39.2 | 48.4 | 52.6 | 70.1 | 102.6 |
| Other costs, billion ID | 135.9 | 174.2 | 215.5 | 259.4 | 281.7 | 375.3 | 549.2 |
| Program management costs | 38.8 | 49.8 | 61.6 | 74.1 | 80.5 | 107.2 | 156.9 |
| Intermediary costs | 32.4 | 41.5 | 51.3 | 61.8 | 67.1 | 89.4 | 130.8 |
| Training costs | 32.4 | 41.5 | 51.3 | 61.8 | 67.1 | 89.4 | 130.8 |
| Contingency | 32.4 | 41.5 | 51.3 | 61.8 | 67.1 | 89.4 | 130.8 |
| Overall cost, billion ID | 782.9 | 1,003.8 | 1,242.0 | 1,494.6 | 1,623.0 | 2,162.7 | 3,164.3 |
| Overall cost, % of GDP | 0.223 | 0.258 | 0.299 | 0.338 | 0.347 | 0.374 | 0.415 |

The following figure summarizes the cost of the programme expressed in ID and percentage of GDP.

Figure 8: Expenditure of in Billion ID and as a percentage of GDP (right axes), 2022 - 2036



3.3. Financing

There are many different ways to identify funding mechanisms for PWP programmes, given the breadth of objectives that they can aim to reach, and the range of stakeholders potentially impacted by the programme. Most typically, PWP are funded by government budgets (usually within social protection or poverty reduction funding). But social protection funding can be complemented by government budget investments in infrastructure, where the PWP aims to increase the labour-intensity of the work required, or sectoral funding where programmes include interventions in social services and infrastructure. Private-sector investment can also be considered, particularly in infrastructure projects where returns on investment are anticipated, including in transport or telecommunications infrastructure, but also social housing for example. Several PWPs implemented in the past in South Africa have, for example, secured private-sector investment in their activities for example (Haddad and Adato, 2001).

Given the importance of financing for PWPs, the ILO is planning a rigorous analysis on fiscal space in Iraq for social protection, which will include considerations around PWP. This will be implemented as a follow up of this paper. But at this stage, it is important to bear in mind that a PWP – if appropriately designed – can be considered an investment opportunity, not only a cost. A PWP can represent an investment in human capital development (through the employment and poverty outcomes, but also where the programme projects include interventions in social services and social infrastructure), an investment in the economy (where the programme includes infrastructure projects, such as roads, ports, telecommunications, or agricultural rehabilitation, etc...) and finally, investments in the environment (with wider impacts on agricultural productivity, but also wider wellbeing).

4. Roles and responsibilities

Public works programmes are inherently multi-sectoral, and processes of designing and implementing such programmes require the active involvement of many key stakeholders. We conclude by outlining very briefly some of the key next steps for each actor in turn.

The **Government of Iraq** will be in the driving seat in designing and implementing the programme, and in leading the coordination with external actors involved in relevant sectors therein. A first step would require initiating evidence generation, assessments and analyses to inform programme design parameters and implementation modalities and facilitating an inclusive and participatory process to specify and agree upon the above elements. Required research and assessment will include:

- An assessment of existing institutional capacity to design and implement the programme, and proposals for effective institutional arrangements and coordination mechanisms.
- A wage survey to generate an understanding of prevailing wage rates in different sectors, multidimensional needs, as a means of setting the appropriate wage rate within the programme.
- An assessment of policy priorities and needs across sectors both at national and community level where a PWP could contribute through increasing the labour intensity.
- A mapping of the availability and quality of training and employment services across the country with which the programme can integrate.
- Assessment of the skills level and skills training needs of potential participants (including, potentially, SSN participants, as noted above) and the barriers faced in accessing employment.
- A review of available fiscal space for the implementation of such a programme, and mapping existing funding opportunities for investment in identified project sectors.

Another priority area will be for the Government to identify sustainable sources of financing for the scheme, considering the PWP as a key investment opportunity to achieve sustainable and long-term impacts on employment, economic growth, and poverty reduction⁹. Operationalizing the design and implementation parameters would then be required through the drafting and adoption of key policies, SOPs, implementation manuals and contingency plans (potentially with support from donors, and development and humanitarian actors with expertise or experience in these elements). These processes will need to go hand in hand with core capacity-strengthening activities both at national and sub-national levels to strengthen the ability of the government to effectively implement the programme.

⁹ UN agencies are in the process of conducting various research and assessment activities to identify fiscal space for social protection reform, which could contribute to informing such decisions.

Private sector actors would also be crucial partners in the decision-making process, primarily as a means of ensuring that the programme complements private sector activities and tailors training and employment services to the demands of the market. Private-sector actors could also be engaged as contractors or suppliers in the implementation of the projects, wherein they could also be provided with business and entrepreneurship skills development.

Civil society actors and community based organisations also have a key role to play in the design and implementation of PWPs. For example, civil society actors would play a crucial role in the decision-making process to ensure an inclusive programme design. In turn, community-based organisations can contribute to decision-making processes around the types of projects to be adopted, to ensure these are relevant to their communities, particularly to the most vulnerable. Non-governmental organisations could also play a role in the implementation of projects aiming to address environmental challenges, as noted above.

Donors could consider aligning their funding interventions in support of reconstruction, infrastructure, social services and social protection in Iraq with the PWP intervention as a means of strengthening the labour-intensity – and thereby employment impact – of these programmes, under the leadership and coordination of the Government.

Humanitarian and development partners, including UN agencies, INGOs and NGOs stand ready to provide technical support to the government efforts levels outlined above as required. Another priority here includes for such actors currently involved in the implementation of cash-for-work and related interventions to transition from provision to government capacity-strengthening, and to enhance coordination for the transfer of humanitarian caseloads into the government programme.

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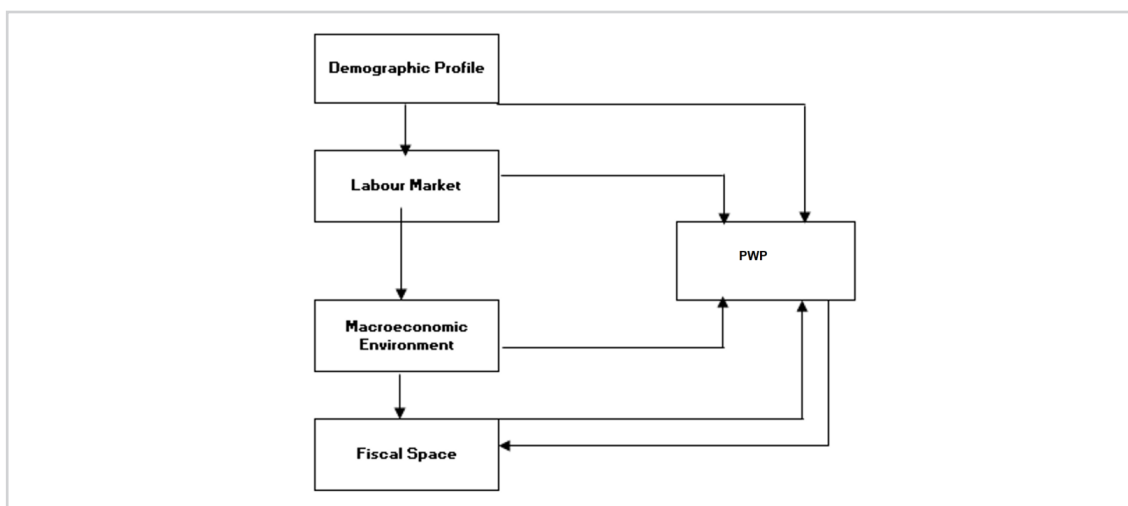
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Annex 1: Projection Model for the Underlying Factors (Demographic, Labor market, Macroeconomic)

The paper's costing estimates presented earlier was built on a projection of the underlying factors (demographic, labour force, and macroeconomic). The linkages and dependency structure of the projection parts are illustrated in the following diagram.

Figure 9: Components of the Projection Model



Demographic model:

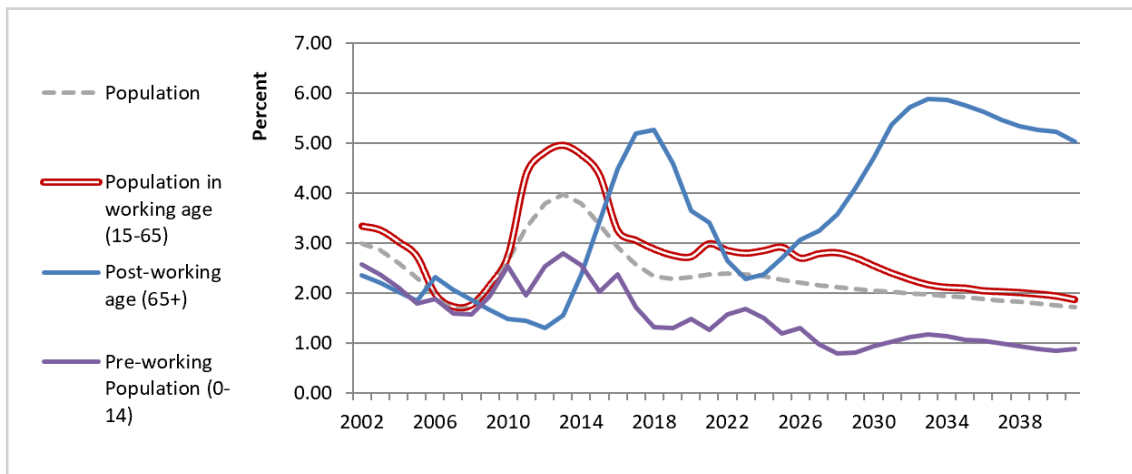
For the demographic projection, the study uses the medium-variant population projection made available by the United Nations Department of Economic and Social Affairs, Population Division (UN, 2019). The dataset is disaggregated by sex and single-year age. The following table summarizes the population projection's main characteristics relevant to the study.

Table 6: Population Projection (Medium Variant) Main Characteristics, 2012-2036

| | Thousands | | | |
|------------------------|---------------------------------------|--------|--------|--------|
| | 2022 | 2026 | 2030 | 2036 |
| Population | 42,165 | 46,186 | 50,194 | 56,386 |
| Pre-working age (0-14) | 15,603 | 16,510 | 17,101 | 18,263 |
| Working age (15-64) | 25,214 | 28,187 | 31,385 | 35,747 |
| Post-working age (65+) | 1,470 | 1,629 | 1,899 | 2,649 |
| | Percentage of Total Population | | | |
| Population | 100.00 | 100.00 | 100.00 | 100.00 |
| Pre-working age (0-14) | 37.00 | 35.75 | 34.07 | 32.39 |
| Working age (15-64) | 59.80 | 61.03 | 62.53 | 63.40 |
| Post-working age (65+) | 3.49 | 3.53 | 3.78 | 4.70 |
| | Dependency Ratio, Per cent | | | |
| Youth DR | 61.9 | 58.6 | 54.5 | 51.1 |
| Old-age DR | 5.8 | 5.8 | 6.1 | 7.4 |
| Total DR | 67.7 | 64.4 | 60.5 | 58.5 |

Source: calculation is based on data from UN DESA (2019).

Figure 10: Population Growth Rates by Working Status, 2002 - 2038

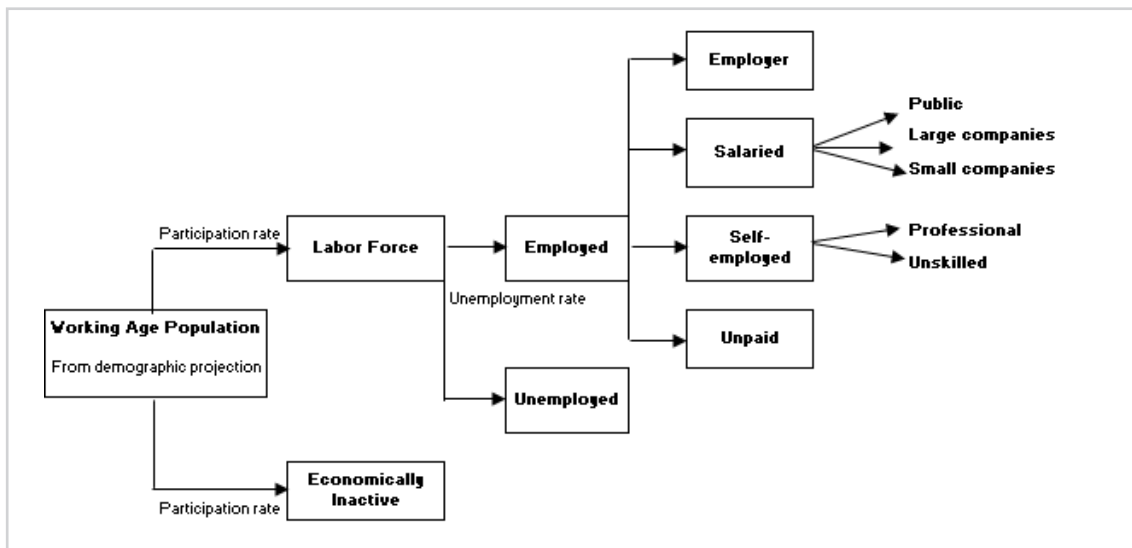


Source: Own calculation based on (UN, 2019)

Labour Market Model:

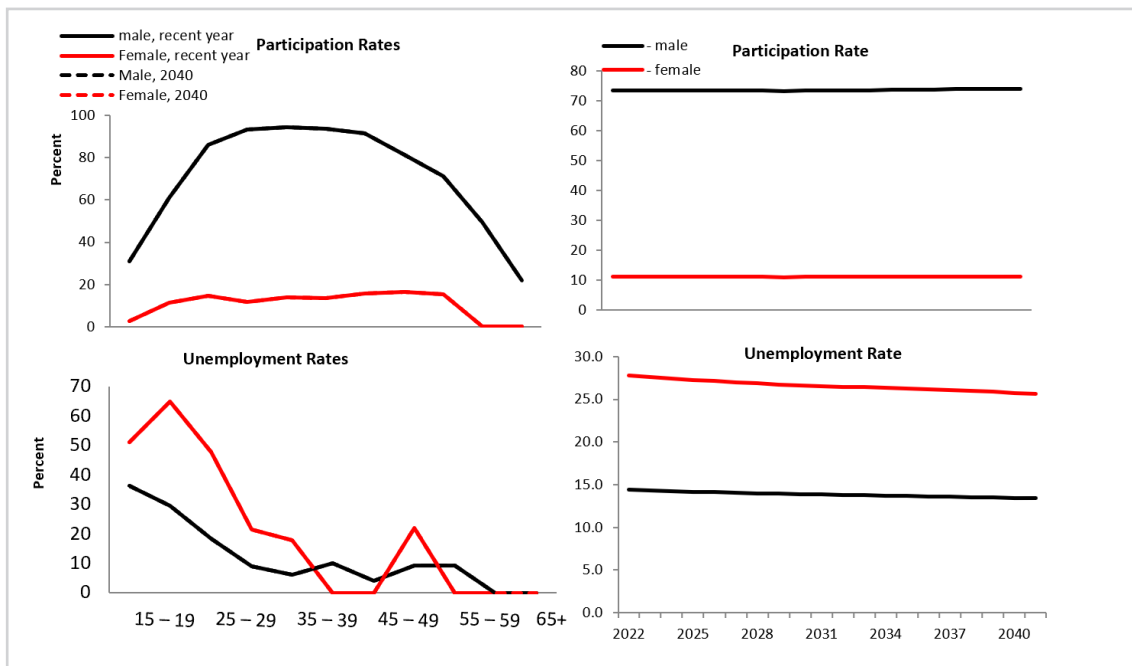
Labour market model is directly built on the population model. The following diagramme presents the structural relationships that relate both models (the population model and the labour force model) for each year in the projection period and disaggregation by age and gender.

Figure 11: Labour Market Model Overview



Assumptions were made explicitly on participation rates and unemployment rates. For the participation rate, it is largely assumed that the participation rates by age group of 2021 will stay the same over the projection period for the working-age population. For the unemployment rate, it is assumed that age and gender-specific unemployment rates in 2021 are expected to remain the same over the projection period. The overall slight decrease in unemployment rate over the projection period is basically a result of the change in the demographic structure of the underlying population.

Figure 12: Labor Market Model's Projection: Unemployment and Participation Rates, by Gender and Age-groups



Source: Assumptions based on (Government of Iraq, 2022)

Applying age and gender-specific participation rates and unemployment rates on the working-age population (obtained from the population projection) for each year of the projection period produces the sought labour force disaggregated by age, gender, and working status (economically active, economically inactive, employed, and unemployed).

Table 7: Summary of the Labour Force Main Projection Results, thousands, 2022-2036

| 000 | Total | | | |
|-----------------------|--------|--------|--------|--------|
| | 2022 | 2026 | 2030 | 2036 |
| Working-age | 25,214 | 28,187 | 31,385 | 35,747 |
| Economically Active | 10,746 | 12,059 | 13,394 | 15,371 |
| Employed | 9,010 | 10,153 | 11,311 | 13,024 |
| Unemployed | 1,735 | 1,906 | 2,083 | 2,347 |
| Economically Inactive | 14,390 | 16,024 | 17,879 | 20,293 |
| | Male | | | |
| Working-age | 12,732 | 14,263 | 15,913 | 18,154 |
| Economically Active | 9,340 | 10,489 | 11,666 | 13,387 |
| Employed | 7,995 | 9,009 | 10,043 | 11,559 |
| Unemployed | 1,345 | 1,480 | 1,623 | 1,827 |
| Economically Inactive | 3,314 | 3,669 | 4,136 | 4,685 |
| | Female | | | |
| Working-age | 12,482 | 13,925 | 15,471 | 17,593 |
| Economically Active | 1,406 | 1,569 | 1,729 | 1,984 |
| Employed | 1,015 | 1,144 | 1,268 | 1,465 |
| Unemployed | 390 | 425 | 460 | 520 |
| Economically Inactive | 11,076 | 12,355 | 13,743 | 15,608 |

Source: Calculation is based on (UN, 2019), (Government of Iraq, 2022) and model assumptions

Macroeconomic Model:

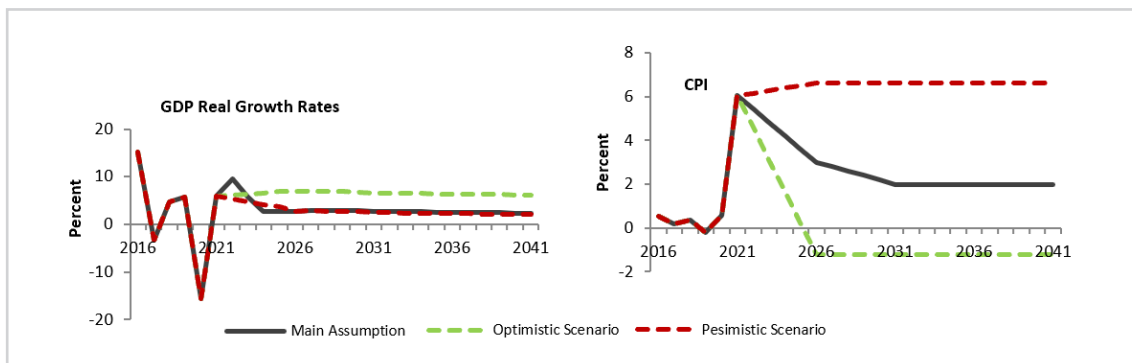
The model is built on the neoclassical long-run path of economic growth, which decomposes growth into two components: the growth rate of the employed population and labour productivity (reflecting technological progress, human capital, and capital/labor ratio). The growth of employment is fed directly from the labour force model. Over the period of 2016-2021, labour productivity in Iraq grew at an average annual rate of -3.72 percent, which largely impacted by the COVID 19. Therefore, the study assumes that this rate will increase to 0 by 2026 and then gradually increase to reach 0.25 percent by 2036. For the inflation rate (CPI), the average annual rate over the past 5 years was estimated at 1.39 percent, with the year of 2021 reached 6.04 percent. The study assumes that this rate will gradually change to reach 3 percent by 2026 and decline gradually to 2 percent by 2031 and is expected to remain the same over the projection period. GDP deflator is linked to CPI and starting from 2026 the two rates are equated.

Table 8: Summary of Main Macroeconomic indicators, 2022-2036

| Economic Indicators | 2022 | 2026 | 2030 | 2036 |
|------------------------------------|-------------|-------------|-------------|-------------|
| GDP, current prices, billion LCU | 350,720,143 | 468,171,766 | 578,589,102 | 761,624,713 |
| GDP per capita, current , LCU | 8,317,810 | 10,136,670 | 11,527,112 | 13,507,266 |
| Inflation (CPI), percent | 5.43 | 3.00 | 2.20 | 2.00 |
| GDP growth, real | 9.50 | 2.78 | 2.83 | 2.50 |
| Labor productivity growth, percent | 1.99 | 0.00 | 0.20 | 0.25 |

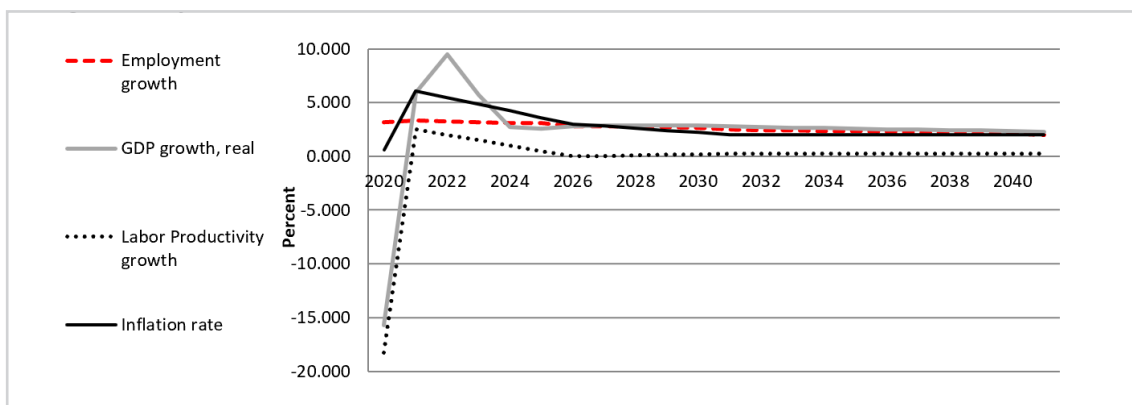
Source: Calculation is based on (IMF, 2022).

Figure 13: Projection Results: GDP Growth in Real Terms and CPI



Source: Calculation is based on (IMF, 2022).

Figure 14: Projection Results: Selected Growth Rates



Source: Calculation is based on (Government of Iraq, 2022), (UN, 2019), and (IMF, 2022).

Annex 2: Proposed Theory of Change

