

THE POVERTY ALLEVIATION COALITION, IRAQ

# POVERTY ALLEVIATION FOR SYRIAN REFUGEES AND HOST COMMUNITIES IN IRAQ



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# Project Summary

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## FUNDING REQUEST

Coalition partners propose a 5 year project with operational research embedded within the first 2 years. The overall target will be **5,000 HHs** in Erbil, Duhok and Sulaymaniyah and the proposed budget for the project is **USD 11,450,000**

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## IMPLEMENTING PARTNERS

- > UNHCR
- > WORLD VISION
- > NRC
- > DRC
- > GOAL

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## IMPLEMENTING LOCATIONS

- > Duhok
- > Erbil
- > Sulaymaniyah

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## METHODOLOGY & DURATION

- > The Graduation Approach
- > 24-36 months

Target: both host & refugee communities



Consumption support / cash transfers



Coaching



Market facing skills training and linkages to self / employment



Financial inclusion & Asset transfer



Social & legal services



24 - 36 months

Costs include consumption support, asset transfer, staffing, monitoring and head-office overhead. This wide range in costs reflects the differences in underlying cost structures from country to country (e.g. local salary scale, population density, and status of infrastructure) and from the emphasis placed on each of the building blocks (e.g. size and duration of consumption support).

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### INTRODUCTION AND PROBLEM ANALYSIS

According to the United Nations Development Programme (UNDP) 2018 statistical report on human development in Iraq, Iraq is a 'middle development country' ranking 120th out of 189 countries. Iraq's successive conflicts, including the Iran-Iraq war, followed by the UN embargo of 1990 and the heavy burdens of subsequent wars have caused a reduction in economic self-reliance in Iraq; and while the market economy has grown, the private sector remains small, cannot absorb unemployment, and 'does not contribute significantly to income generation' in Iraq. A rentier state, Iraq's oil sector accounts for 99 % of export earnings, however, it only employed about 3% of the workforce, making integrating women and the poor into this rentier economy more difficult. Other sectors that employ a bigger workforce like agriculture (second contributor to GDP) has continuously declined post-ISIS.

Iraq has a very high proportion of young people, with about 39 % of the population aged between 0 and 14 years old. More than 70 % of the population lives in an urban environment, with much of the population concentrated in the north, central and eastern parts of Iraq, mainly around the larger urban centres.

**Access to Services:** Iraq's current security and fiscal constraints have affected the Government's ability to provide basic public services. The fiscal, security, and humanitarian crises, hindered the government's ability to deliver the services needed for poverty reduction, social inclusion and economic development. Despite the large public expenditure in Iraq, access to even basic services (health, education, electricity, and transport) has been deficient, and the ISIS war further undermined service delivery. Basic infrastructure has either been destroyed or is in a debilitated state, with cities like Mosul and Tal Afar facing over 70 percent destruction.

**Poverty, Equity and Vulnerabilities:** Poverty, which had seen a decline between 2007 and 2012, has risen sharply, with most recent estimates from 2014 at 22.5 percent. The historic decrease in global oil prices since 2014 has severely impacted Iraq's economy and coupled with security and humanitarian outlays, has significantly deteriorated Iraq's fiscal and external balances. It is estimated that there are 234,831 Syrians<sup>1</sup> refugees in Iraq. The declining oil revenues and the war against ISIS pushed an additional three million into poverty. Over 2.4 million people continue to require food security assistance and approximately 8.5 percent of children in rural areas are reported to be malnourished.

Poverty rate doubled to 41.2 percent in ISIS-occupied areas, with a sharp increase in the Kurdistan Region of Iraq, from 3.5 percent to 12.5 percent, due to the inflow of 1.4 million internally displaced persons (IDPs) and over 241,000 refugees.<sup>2</sup> The security crisis is estimated to have created more than 3.4 million internally displaced persons, half a million of which are estimated to have fallen into poverty since the beginning of the conflict.<sup>3</sup> In governorates under ISIS occupation (Nineveh, Kirkuk, Diyala, Anbar and Salah al-Din) poverty rate doubled to 41.2 due to the war against terrorist organizations, Nineveh alone accounts for about a fifth of the poor in Iraq, while Baghdad has about 11% of them.<sup>4</sup> Even though the impact was limited in the rest of Iraq, poverty increased in all governorates, especially in the South where the rate remains stubbornly high, at more than 30 percent, due to the economic crisis. Per capita consumption expenditures declined by 40 per cent in the occupied governorates, compared with a 15 percent decline in the rest of Iraq.<sup>5</sup>

With regards to unemployment, there are significant gaps between women and men in both labour force participation, employment, and unemployment rates. Unemployment was officially estimated at

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<sup>1</sup> UNHCR (31 Oct 2019) [Syria 3RP, Operational Portal](#)

<sup>2</sup> Iraq Economic Monitor: From War to Reconstruction and Economic Recovery, 2018, World Bank

<sup>3</sup> Ibid

<sup>4</sup> World Bank, Where are Iraq's Poor: Mapping Poverty in Iraq - <http://documents.worldbank.org/curated/en/889801468189231974/pdf/97644-WP-P148989-Box391477B-PUBLIC-Iraq-Poverty-Map-6-23-15-web.pdf>

<sup>5</sup> World Bank Group, Poverty Alleviation Global Practice Group, February, 2016, Policy Research Working Paper 7567

11 per cent in 2011, although actual levels, particularly among youth, were significantly higher. Only 15 per cent of Iraqi women of working age participate in the labour force - well below the already low rates of female labour force participation in the Middle East and North Africa (MENA) Region of 22 per cent - while about 72 per cent of adult men are employed compared to a regional average of 75 per cent.<sup>6</sup> Jobs were not providing a pathway out of poverty even before the crisis. Iraq has one of the lowest employment-to-total population ratios in the region, even among men. The World Bank estimates that there were 2.5 million unemployed Iraqis including IDPs in 2016, and the national unemployment could have reached 15 per cent in 2017.

Among youth ages 15–29, 72 per cent of women and 18 per cent of men are neither in school nor employed. The agriculture sector is the largest source of rural employment and livelihood in Iraq, with critical implications for climate resiliency, food security, poverty alleviation, and the empowerment of women, but is drastically underexploited. The public sector accounts for nearly all the formal jobs and the private sector has not generated any significant employment opportunities.

**Child Poverty:** In 2012, a fourth of Iraq's children lived in poverty, and we find that a third of all children in Iraq are unable to access all their basic child rights. Children have the highest risk of poverty across all age groups, and tend to live in households with lower incomes.<sup>7</sup> Child poverty is a persistent issue in Iraq limiting the potential of a large portion of Iraq's young population, curbing educational attainment, generating poor health outcomes, and preventing children from realizing their basic rights. Yet poor children and poor households are not the main beneficiaries of the range of social protection systems available to Iraqis. In 2012, children faced a 25% higher risk of poverty, on average, than other age groups in the population. At the same time, the percentage of children living in extreme poverty doubled to 1.2% of the poor, higher than the rates for adults and the elderly combined.

**Gender Gap:** Female labour force participation in Iraq, which is at 15 per cent is low, compared to rates in the MENA region, which range between 20 to 25 per cent, and is markedly low by global standards.<sup>8</sup> Ninety per cent of Iraqi women of working age are not in the labour force. Most of those who do work are employed in part-time jobs, and underemployment for women has increased over time. Very few women who are not employed and of working age report that they are looking for work. Women with low levels of education and skills are often self-employed and concentrated in private sector activities. These are usually informal, low-paying jobs with almost no access to benefits such as health insurance, maternity leave, or pensions. Women working in the informal economy or private sector are generally excluded from the protections of the labour code as these do not apply to women "who are engaged in a family enterprise in which only family members work and which is under the authority and supervision of the woman's spouse, father, mother, or brother. Unequal gender dynamics translate into a disproportionately heavy burden on women and girls, who are likely to have fewer resources, lower access to healthcare and education, and are responsible for time-consuming and unpaid domestic tasks. Moreover, cultural norms or destitution may force women into abusive relationships, child marriage or exploitative livelihoods.<sup>5</sup> While women and girls often face the highest levels of exclusion, marginalisation, and poverty, they also carry a higher burden of providing for families and children, agricultural production, and caring responsibilities

**Iraqi Financial System:** The financial system in Iraq is weak and depends on cash-economy. It remains underdeveloped with inefficient laws, supervisory and regulatory standards, credit infrastructure and skills. Financing for micro and small sized enterprises is not well developed as the state-owned banks cater mainly to state owned enterprises and the small private sector banks do not have the requisite credit systems, capital and human skills to undertake SME lending. In addition, the operating environment for financial inclusion for MSMEs remains equally unfavourable, although contributing to 90 per cent of private sector employment, very few are financed, with only 2.7 per cent of SMEs supported through banking loans (IMF (July 2019)).<sup>9</sup> There is a strong preference for cash in business transactions. It is estimated that fewer than 5 per cent of SME's have received bank

<sup>6</sup> UNWOMEN and Oxfam, Gender Profile Iraq: A Situation Analysis on gender equality and women's empowerment in Iraq, 2018

<sup>7</sup> UNICEF, CHILD POVERTY IN IRAQ, 2017 - An Analysis of Child Poverty Trends and Policy Recommendations for the National Poverty Reduction Strategy 2017-2021

<sup>8</sup> Iraq Economic Monitor: From War to Reconstruction and Economic Recovery, 2018, World Bank

<sup>9</sup> [Iraq: Selected Issues; IMF Country Report No. 19/249](#)

loans, only 11 per cent of adults have a bank account and only 4 per cent have borrowed from a bank, but 65 per cent have borrowed from the informal sector (FINDEX survey 2014).

**Humanitarian Context:** In 2020, Iraq continues to face a very high risk of a humanitarian crisis. The impact of the conflict continues to affect the physical and mental well-being, living standards, and capacity for resilience and recovery of millions of Iraqis. The growing inflow of Syrian refugees and internally displaced Iraqis into the KRI has imposed additional strains on the budget and service delivery. This major influx severely constrained the Government's ability to deliver health, education, and social protection programs to the increased population. The standard of living of the population has deteriorated, and many people have fallen into or are vulnerable to falling into poverty.

Many people, especially the most vulnerable, are unable to independently meet their basic needs like food and shelter. They lack access to services such as health care, potable water, improved sanitation, and education, and livelihoods opportunities remain limited. With reconstruction of vital infrastructure and the re-establishment of essential services facing major delays, at-risk populations increasingly resort to negative coping mechanisms, including debt accrual and dangerous, harmful practices, further undermining resilience and increasing dependence on humanitarian assistance.

Departure surveys indicate that more than 25 per cent of IDPs departing formal camps during late 2019 became secondarily displaced in out-of-camp settings where many live in critical shelter conditions and are in need of basic services. Returnees and IDPs wishing to return to their areas of origin or find other durable solutions to their displacement, require additional support during the transition from displacement. Follow-up with IDPs departing camps and entering secondary displacement indicates that both IDPs and host communities face similar challenges in accessing services in the periods immediately following their movement

Communities in the KR-I continue to be generous, but the deteriorated economic situation during the last years negatively affected the livelihoods opportunities of Iraqis and Syrians refugees alike and has stretched the existing public services and capacities of the hosting authorities. The KRG requires significant assistance from the international community to continue supporting large numbers of displaced. Due to developments in north-eastern Syria (NES), the number of Syrian new arrivals into the Kurdistan Region of Iraq (KR-I) increased in 2019. Since the start of military operations in October, some 17,000 Syrians entered the KR-I<sup>10</sup>. As of 31 October 2019, a total of 234,838 Syrian refugees are registered with UNHCR, with the number likely to increase due to instability in NES.

The profile of the Syrian refugee population in KR-I remained stable. Around 99 per cent of the Syrian refugee population resides in KR-I, with the vast majority of Kurdish ethnicity. The majority of the new arrivals reside in refugee camps in Duhok, while some have been able to join their families elsewhere in KR-I. It is likely that one additional camp will be established in KR-I to host new arrivals.

The number of Syrian refugees in Iraq is expected to slightly increase to 255,000 individuals by the end of 2020 due to the developments in NES, and to increase to 245,000 individuals by the end of 2021 as is expected that some of the new arrivals and the protracted population will spontaneously return to Syria, particularly if the situation stabilizes in NES. The main reasons for return for the protracted population remain family-related issues, lack of livelihood opportunities in the KR-I and medical reasons. Return intention surveys highlighted, however, that many Syrian refugees are likely to remain in Iraq for the medium term.

Despite the challenging political climate in Iraq, the economic climate and the increase in Syrian new arrivals, the protection environment in KR-I remained conducive in 2019, with no change expected in 2020. The Kurdistan Regional Government (KRG) and host community remained welcoming and accommodating towards the refugee population.

However, the absence of an effective legal framework for refugee protection in Iraq continues to preclude longer-term residency rights to stay and other legal benefits for Syrian refugees. The difficult economic situation has negatively affected the livelihood opportunities of Iraqis and Syrians refugees alike and has stretched existing public services and hosting capacities. Lack of access to sustainable employment and livelihood opportunities is the main self-reported vulnerability by Syrian

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<sup>10</sup> As of end November 2019.

refugees in needs assessments in 2018 and 2019, and also the root cause of protection issues, such as child labour and child marriage, and has also led to refugees seeking relocation to camps.

Given the protracted nature of the majority of the Syrian population in KR-I, the 3RP<sup>11</sup> strategic direction in Iraq will continue to aim at a gradual transition from an emergency humanitarian response to a longer-term solutions-oriented approach with a focus on self-reliance, and inclusion of refugees in and strengthening of public services and national systems

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<sup>11</sup> The Syrian Regional Refugee and Resilience Plan.

## Project Operating Model

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### PROJECT GOAL

**5,000 Ultra-poor households consisting of refugees and host communities transition from extreme poverty and achieve sustainable livelihoods in Duhok, Erbil and Sulaymaniyah governorates by 2024.**

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### PROJECT OBJECTIVES

**Outcome 1:** Improved access to basic and social services, including through institution and system strengthening across all relevant levels.

**Outcome 2:** Income adequacy, security and resilience of targeted ultra-poor households

**Outcome 3:** Enhanced ultra-poor households social development and increased social inclusion

Interventions targeting the ultra-poor are complex given the multi-dimensional nature of poverty. The poorest also tend to prioritize immediate needs over longer-term investments, which complicates efforts aimed at sustainable development. Behavioural research suggests that unless their immediate consumption needs are addressed, poor people make suboptimal economic decisions because of chronic distraction due to stress and to a “tunnelling” syndrome which limits their ability to focus beyond the next imminent crisis. Therefore, based on the foregoing, the implementation of a graduation approach aims to move poor households into having sustainable livelihoods.

The theory of change behind graduation approach is anchored on the understanding that to move from poverty to having sustainable livelihoods, first basic survival needs must be met. Therefore, the approach combines consumption assistance with medium-term interventions (assets to launch a business, technical training, and financial services) and long-term interventions aimed mentoring aimed at changing ingrained habits and mindsets.

The Theory of Change is anchored on three-part vision. First, that a meaningful up-front investment in poor families will help them develop sustainable livelihoods. Second, that as these households develop their capacity to generate increased income and build assets, their resilience will increase and their vulnerability to shocks will diminish correspondingly over time. This should reduce the risk of them falling back into poverty. But we recognize that the progress along the pathway is not linear and households will not progress evenly. Poor families are subject to many shocks; any one of these shocks may cause them to fall backwards. Not all households will progress at the same rate, and some households may not succeed. Third, the long-term benefits will accrue both to those individuals and families directly affected, breaking entrenched, multi-generational poverty and of reducing inequality.

There are, however, a number of factors beyond the programme’s reach which can greatly influence outcomes such as constraining household characteristics, absence of markets, limited health infrastructure, lack of physical infrastructure and macroeconomic shocks.

This project aims to graduate 5,000 poor households over a 5 years period, consisting of refugees (80%) and Iraqi nationals (IDPs, IDP Returnees and host communities – 20%) from poverty to having sustainable livelihoods, mainly targeting the three governorates in KR-I: Erbil, Duhok and Sulaymaniyah.

UNHCR aims to target 4,000 urban Refugee Households identified to be food insecure, marginally food secure and not coping, and marginally food secure and coping<sup>12</sup> with Multi-Purpose Cash Assistance (MPCA) in 2020. Households that meet the eligibility criteria and received MPCA can, if having the right profile to be included in other income-generating livelihoods project, be referred to other coalition partners after finalizing the 12 months MPCA cycle. Households that are not eligible for MPCA (including camp residents) can also be referred to coalition partners through beneficiary selection based on relevant criteria coming out of the Vulnerable Assessment Tool household visit. In addition, coalition partners may also identify eligible beneficiaries through their own targeting efforts or referrals from other relevant stakeholders.

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<sup>12</sup> Based on UNHCR’s SOPs for MPCA eligibility.



## Project Impact and Sustainability

### INTENDED IMPACT

The project intends to contribute to Leaving no one behind commitment within the 2030 Agenda for Sustainable Development by reaching out to all people in need and deprivation, wherever they are, in a manner which targets their specific challenges and vulnerabilities. The project aims to reduce the socio-economic vulnerabilities of both refugee and host-communities, however, it is aware of the multi-dimensional poverty which encompasses the various deprivations experienced by poor people in their daily lives – such as poor health, lack of education, inadequate living standards, disempowerment, poor quality of work, the threat to violence and living in areas that are environmentally hazardous, among others.

The intended impact of the project using the graduation model is to contribute to the five dimensions in line with the priorities of the National Development Plan i.e. Basic Services, Education, Food Security, Health, standard of living, decent employment, social development and inclusion. The graduation approach is based on the premise that ultra-poverty or extreme poverty differ from other forms of poverty in terms of depth (greater degree of deprivation), length (longer duration) and breadth (larger number of dimensions) such that there are multiple mutually reinforcing poverty traps, making it especially difficult to deal with. Based on this, the project aims to have the following impact over the 5 years of implementation in Iraq.

- i. Contribute to achieving SDGs, especially 1, 2, 3, 4, 5 and 8 – No Poverty, Zero Hunger, Gender Equality and Decent Work and Economic Growth hunger within Iraq
- ii. Contribute to poverty alleviation by X% thus mitigate negative coping strategy and reduce unemployment by X% by 2024
- iii. Women economic empowerment to contribute to reducing the gender gap and increase women participation in the labour workforce
- iv. Contribute to reduction in child poverty incidence in the identified governorate
- v. Strengthened government systems and structure related to access to basic service
- vi. Enhanced resilience to shock through strengthened household economy

### LOGICAL FRAMEWORK

Items	Description	Indicators
<b>Goal</b>	<b>Contribute to eradicating poverty in all its forms and dimensions, accelerated structural transformation for sustainable development and building resilience of crisis affected and socio-economically vulnerable populations</b>	# of targeted households that meet Graduation criteria  # of targeted households that became self-reliant and do not require further cash assistance
<b>Outcome I:</b>	<b>Income adequacy, security and economic resilience</b>	# of targeted households with a secondary source of income  # of households with more income than

		expenditures (to be measured through household income and expenditure checklist)
Output 1.1	Households have livelihood protection during shocks	# and % of households with access to social protection mechanisms/safety nets (disaggregated by safety net type)
Output 1.2	Participants empowered to build productive capacities and benefits for sustainable livelihoods and jobs	># of households participated in technical (livelihoods and business skills) trainings ># of households completed livelihoods trainings ># of households demonstrating application of technical skills
Output 1.3	Participants received productive assets	># of households that received productive assets # Number of women developing a profitable economic activity
Output 1.4	Households have enhanced financial inclusion	# of targeted households who report making a decision to save or borrow in the last six months  Value of savings mobilised (set a minimum threshold to assess against )
Output 1.5	Assessment (Market and Gender Assessments) & Research into the causes and effects of extreme poverty and the effectiveness of measures taken to address extreme poverty is undertaken and results disseminated	Findings of extreme poverty relevant research disseminated among decision makers and actors in Iraq through publication.  Thematic reports and web-based visualisation based on data disseminated among decision makers and actors in Iraq
<b>Outcome 2:</b>	<b>Improved access to basic and social services, including through institution and system strengthening across all relevant levels.</b>	Proportion of target population reporting improved access to basics services (Health, WASH, Education and Safety Nets)
Output 2.1	Households received consumption support (safety net)	# of households receiving consumption support
Output 2.2	Improved access to health services for children	# of targeted households that have access to health care services
Output 2.3	Improved access to WASH services for children	> Proportion of households using an improved drinking water source
Output 2.4	Capacities at national and sub-national levels strengthened to promote enhanced delivery basic services <sup>4</sup>	# of targeted households where school aged children are attending school

<b>Outcome 3</b>	<b>Improved structural social empowerment and inclusion of targeted households</b>	% of households where women report taking part in household decision making, e.g. buying of assets;
Output 3.1	Enhanced inter-community/religious/Ethnicity community cooperation mechanisms	> # of households who report experiencing peaceful coexistence ># of target beneficiaries reporting improved trust among the community
Output 3.2	Increased social inclusion of the most disadvantaged groups on the labour market;	>Establishing mutual referral systems among Livelihoods actors to the most vulnerable (GBV Survivors, People Living with Disability)
Output 3.3	Participant develops a positive mindset	% of households with visits or one-to-one coaching completed

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### COALITION ORGANISATIONAL CAPACITY

Coalition partners in Iraq will work towards the common vision of increasing resilience, self-reliance and social inclusion of Syrian refugees & host communities (including IDPs and IDP returnees)) by sustainably increasing their income-earning opportunities. Using the graduation approach, the coalition partners will support vulnerable and poor households (men and women) through a step-by-step from poverty to self-reliance. This will be done in close coordination with institutions, systems and structures that exists within Iraq that contribute to poverty alleviation such as other Agencies and NGOs, relevant Sectors (for refugees) and Clusters (for IDPs); Development Actors, the Ministry of Labour and Social Affairs (MoLSA), the Ministry of Planning (MoP), Chamber of Commerce and the respective lines ministries both at national and governorate levels.

To implement the five stages of the graduation approach (consumption support, market-oriented skills training for self- or wage employment informed by the market and gender assessment, asset transfer, access to inclusive financial services through savings groups and/or linkages to formal services, access to social and legal services and continuous mentoring), in a successful and coordinated manner in Iraq, the coalition partners will share expertise and capacity with a specific focus on:

#### *Beneficiary Identification:*

The coalition partners aim at rigorous, harmonized and coordinated beneficiary selection methodologies to ensure that qualitative targeting and avoid duplication.

For Refugee beneficiary selection, the coalition will use UNHCR's Vulnerability Assessment Tool (VAT) as a reference targeting tool, leading to:

- UNHCR conducting household visits and referring cases based on agreed upon criteria and VAT results
- Coalition partners using UNHCR's VAT and coordinate household visits to avoid duplication
- Coalition partners adjust their internal targeting criteria based on VAT for harmonization purposes

For IDPs, IDP Returnees and Vulnerable Host Community Members beneficiary selection, the coalition will use the harmonized and coordinated vulnerability assessment tool and harmonise the transfer amounts (to ensure it meets the Minimum Expenditure Baskets equivalent to family size) used by the HRP/IDP Humanitarian community in coordination with the Cash Working Group, Cash Consortium and the Emergency Livelihood Cluster.

#### *Targeting, Assessments and Analysis:*

The coalition partners will adapt the graduation approach to the local context based on available needs assessments, research and data regarding household vulnerability. The main sources of information in Iraq are the Multi-Sector and Multi-Cluster Needs Assessments (MSNA – MCNA), analysis stemming from UNHCR's Vulnerability Assessment Tool (VAT) and Registration data and any other relevant research document. These sources will be consulted before implementation and in coordination with all relevant stakeholders.

Furthermore, the coalition actors will conduct various assessments/Analysis including, Labour Market Assessment, Value Chain Assessment and Gender Analysis for the various governorates where the project will be implemented. The primary objective will be to ensure identification of market-driven skills development and support with relevant asset transfers as well as facilitate various trainings for job placements.

#### *Establishment of beneficiary referral framework:*

The coalition will develop referral mechanisms with clear roles of each coalition partner, informed by the five stages of the graduation approach. These referrals will be informed by the coalition partners' experience in each component of the graduation approach, their presence in the identified locations, leveraging of other existing programs from other funding sources and mutual agreement.

#### *Linkage with existing systems, Exist Strategy and Sustainability*

The coalition partners will ensure a social safety net for Iraqi nationals will be done through support in strengthening the existing social protection mechanism,, the Public Distribution System (PDS) and advocating for the inclusion of its beneficiaries.. A joint advocacy approach and systems strengthening of the social protection systems both at governorate and national level will be undertaken by coalition partners in close collaboration with any existing initiatives aimed at strengthening the same social protection system. The coalition partners will also continue to explore opportunities of including refugees in existing social protection systems or alternatives.

The coalition partners will develop a clear exit strategy for graduating beneficiaries/households through linkage with social protection services for non-refugee/host communities, market linkages and job placement for both refugees and non-refugees, financial inclusion through established savings groups to strengthen household economy hence contribute to resilience to shocks. Advocating for complementary investments on sectors such as water, health, education and infrastructures by government and other actors within the project areas.

#### *Cross-Cutting Themes:*

*Social Cohesion:* The coalition partners will ensure that all targeted caseloads, without any form of discrimination, have improved and equal access to qualitative services and assistance.

*Gender Equality:* Each intervention within the project will apply a gender equality lens, which includes incorporating gender into the assessment, design, planning, implementation and monitoring and evaluation of the Graduation programme. The project at minimum will ensure that at least 40% of the beneficiaries are female but will strive for higher target.

*Research and Advocacy:* The coalition partners will work with reputable research institution in Iraq to conduct research into aspects of the Ultra-Poor Graduation project that would be a value add to ensure sustained impact and draw out relevant aspects relevant for decision makers in both government and non-governmental organization working on poverty alleviation for refugees and host communities.

## COALITION PARTNERS: EXPERTISE AND CAPACITY

### DRC

DRC's vision in Iraq is to improve safety, dignity, and resilience by facilitating the transition from meeting basic needs to sustainable solutions for individuals and communities affected by conflict and displacement. As one of the country's leading INGOs, DRC has been supporting IDPs, refugees, and vulnerable host communities in the country since 2003, which has enabled us to model and adapt our programming to meet identified needs effectively, while simultaneously maintaining our commitment to the core humanitarian principles of respect for equal rights, humanity, independence, neutrality, impartiality, and transparency. With an annual budget of approximately USD 45 million, DRC, alongside DDG—DRC's human security unit—implements programming in protection, shelter and infrastructure, economic recovery, humanitarian mine action, and camp coordination and camp management (CCCM) in eleven governorates across both Federal Iraq and the Kurdistan Region of Iraq (KRI), including Anbar, Ninewa, Diyala, and Salah al-Din.

DRC's comparative advantage in economic recovery programming includes:

- Experience implementing economic recovery programming from basic needs assistance to sustainable livelihoods. This has allowed DRC to build a close network of partners, including both non-governmental organizations and national stakeholders.
- Recognized as a major provider of emergency cash transfers to address immediate needs and can build on this expertise to increase Populations of Concern's access to appropriate financial products and services.
- Unique access to the extremely vulnerable and marginalized households through integrated programming, and the capacity to address their needs through multi-sectorial and complementary interventions;
- Significant experience in different intervention models on wage employment, including direct support with a case management approach;
- Experience supporting micro, small and medium enterprises (MSME) in many different countries and contexts, from business development services to direct and indirect financial support;
- Extensive understanding of the legal framework applicable to displacement-affected populations, including the right to work and access to decent job opportunities

### GOAL

GOAL is an Irish international humanitarian organization founded in 1977 and currently operational in 13 countries; in both protracted crisis and long-term development contexts. GOAL works so that: people survive crisis, have resilient health and food and nutrition security and sustainable livelihoods. GOAL uses a market systems approach when assisting people in recovering from crises. This approach incorporates resilience, inclusion (age & gender) and behaviours and uses modalities such as cash to support recovery and protect existing markets.

GOAL has supported conflict-affected populations in Iraq since 2015 and is registered in both Baghdad and the Kurdish Region of Iraq (KRI). The country office is located in Dohuk with operational offices in Mosul, Ninewa and a liaison office in Baghdad. GOAL Iraq has 40 dedicated staff who have worked with over 24,000 beneficiaries through our programs supported by BPRM, GIZ, Irish Aid and UNDP.

In response to years of conflict accompanied by largescale displacement, GOAL in collaboration with our partner, the Peace and Conflict Resolution Studies Centre of Dohuk University, works to strengthen social cohesion between refugees, IDPs and host communities. Building on over forty years of global experience in helping people to survive crises, GOAL has the technical capacity and strategic partnerships to respond quickly if emergency needs arise. Since 2012, GOAL has been a key

humanitarian actor in the Middle East region (Syria and Turkey), and maintains a regional coordination office in Amman, Jordan. While GOAL is focused on recovery and rebuilding economic opportunities in Iraq, we have also responded to sudden onset emergencies in 2015-2016 and recently in 2019 for refugees from Northern Syria through WASH support and non-food items (NFI) distribution.

GOAL has established relationships with local refugee, internally displaced and host communities in KRI in addition to strong strategic partnerships with national and international organisations, communal and district authorities.

## **NRC:**

NRC has been present in Iraq since 2010, responding primarily to needs arising from conflict-induced displacement. With a workforce of 350 national and 40 international staff, NRC has an operational presence in Erbil, Kirkuk, Ninawa, Salah al-Din, Baghdad, Anbar, Basra and Dohuk governorates. In these locations, NRC responds to the needs of those affected by conflict and displacement by providing a wide range of assistance in accordance with the rights and needs of the affected population. This includes activities in the following sectors: Food Security & Livelihoods; Information, Counselling and Legal Assistance (ICLA); Camp Management and Urban Community Centres; Shelter & NFIs; WASH; Education; GBV; and Multi-Purpose Cash Assistance. In 2018, NRC was the largest NGO operating in Iraq and implemented programming worth USD 46 million, reaching more than 900,000 Iraqis in need. Between 2016 and 2019, NRC implemented an estimated 128 projects from over 20 different donors and secured roughly USD 170.4 million in funding. The combination of such a diverse programming portfolio and our presence in geographically spread-out and strategic locations, has not only provided for **significant reach and coverage** but also enabled NRC to contribute to **bridging the gap between humanitarian aid and development cooperation**. The latter has manifested in NRC's programmatic focus on facilitating equitable access to basic services, recovery of economic activity and strengthening the rights of displaced people and returnees – as well as development activities geared towards preventing climate induced displacement and destabilisation. With particular relevance to the proposed intervention, NRC brings a wealth of experience in **market-based (livelihoods) programming** in Iraq. Activities in this regard have included: training and grants for small businesses; and vocational as well as soft skills training for enhanced employability among women and youth. Ninawa and Anbar have been among the targeted areas for these activities (alongside Basra and Dohuk). With respect to **agricultural livelihoods** in particular, NRC has strengthened markets for local products in both Ninawa and Anbar and provided extension services and training on modern farming techniques (e.g. improved agronomic practices, vertical gardening, vegetable production in greenhouses and post-harvest handling) in Dohuk and Basra. As such, NRC Iraq has gained relevant experience and expertise in working with value chains through other projects. NRC has also worked closely with the Department of Agriculture in this regard and a valuable relationship has been established which shall be leveraged for the benefit of the proposed intervention.

## **UNHCR**

UNHCR has a robust MPCA programme and vulnerability targeting methodology, through the VAT, in place to support Syrian refugees in Iraq. In addition, UNHCR plays a catalytic Livelihoods role in Iraq through its leadership in refugee coordination, its participation in the Livelihoods Sector and its advocacy for inclusion of refugees in national systems and programming with, respectively, (local) authorities and development actors. UNHCR will bring capacity and expertise to this coalition through

- MPCA (12 months) targeting vulnerable household based on vulnerability assessments
- Harmonization of vulnerability assessments and targeting methodologies based on VAT
- Referrals of households eligible for livelihoods programming to other coalition partners
- Share assistance data, based on data sharing agreements, to avoid duplication of assistance

- In collaboration with the Livelihoods Sector ensure coordination with other relevant actors with graduation-oriented programming in Iraq
- Ensure coordination between Livelihoods Sector and other relevant Sectors to ensure referrals of vulnerable households.
- Continue to advocate for (research on) financial and economic inclusion of Syrian refugees

## **WORLD VISION**

World Vision's global strategy, sets out to deliver a tangible contribution to the well-being of children and key Sustainable Development Goals (SDG) through relief, development and advocacy work. A significant contribution to SDG 1 (zero poverty) is through the incorporation of the Ultra-Poor Graduation model into World Vision's Livelihoods Sector and long-term development strategy for the most vulnerable households. World Vision has global experience in implementing Graduation Approach with rich and diverse technical expertise and evidence generated that will be relevant to the coalition.

World Vision Iraq implements emergency, early recovery and resilience programs through direct intervention and with contextualised innovative approaches targeting the most vulnerable with the objective of improving their well-being. The overall objective is to promote self-reliance of vulnerable people at critical times of their lives and raise the living standards. Our key interventions within Iraq over the past few years, our operations in both GOI and KRG have focused on Food Assistance, Food Security, Livelihood and Economic Empowerment that includes income generation, job placement & creation and sustainable livelihoods. As part of its integrated approach, WV has implemented Water, Sanitation and Hygiene (WASH), Health & Nutrition, Education and Child Protection interventions.

Some of the project models and approaches we've used in the country based are Local Value Chain Development; Graduation Model, Youth and Women economic empowerment through livelihoods interventions focused on both on-farm and off-farm sectors; Financial Inclusion interventions and Business Skills Development.

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## **BROADER PROJECT STAKEHOLDERS**

To achieve the objectives of the project, the coalition partners will closely coordinate and collaborate with the relevant sector with direct impact on poverty alleviation and actors within these sectors both government and non-governmental across various levels within the three (3) governorates. Furthermore, the coalition actors will coordinate with various clusters within Iraq, like Emergency Livelihood, Food Security, Cash Working Group, Protection, Health, WASH and Education with the aim of ensuring coordinated approach with other actors implementing aspects of ultra-poor graduation model. This coordination efforts will avoid gaps, programmatic and geographical overlap and gaps, and will promote further harmonization of beneficiary selection methods, information sharing and standardised programming with minimal standards.

Research actor, REACH, will be informed about the program to ensure that their research topics are aligned with the project objectives. All coalition partners will be involved and contribute to the design of relevant research thematic areas and some level of operational research.

The coalition actors will closely liaise with relevant government entities, mentioned above, to align the project with government policies, development plans and efforts of the authorities that are in line with the objectives of the program. The coalition will advocate for the inclusion of its targeted beneficiaries in relevant programs at government side and national systems where applicable. Similar efforts will be done with relevant development actors.



# Monitoring and Evaluation

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## **MONITORING & EVALUATION**

Effective implementation of the Graduation programmes will require continuous monitoring and review of both progress and design. Monitoring will not only be done to capture important data for tracking and improving household progress for reporting, but also contributes to continuous learning that will help refine operations during the programme cycle. Monitoring and evaluation will be designed to feed into the planning for future implementation and scale, and build partners knowledge repository on how to implement Graduation in the Iraq context.

Monitoring will take place at two levels – the programme and household. Building the monitoring system during the planning phase will ensure that the programme and household plans will be kept on track, and that any issues are identified and addressed early.

At the household level, the project will focus on up-to-date data on participants' progress towards Graduation criteria which will be fundamental to ensuring success of the participant within the programme cycle. Coalition partners will review the beneficiaries' progress across all Graduation criteria before each household visit since this will be used to provide additional support on; and participants to understand where they can continue to support their own progress.

At the programmatic level, monitoring involves tracking the quality and progress of activities outlined in the programme plan. These activities may be carried out at the household, community, or at a wider level. In contrast, household level monitoring follows the progress of each household towards building economic and social resilience and meeting the Graduation criteria. Collectively, the monitoring information allows the implementing partners to make critical iterations to adapt to challenges on the ground and ensure effective implementation of the programme.

At a programme level, monitoring across a cohort reveals whether there are patterns in how well the programme is being executed by staff, and what can be improved to strengthen participants' pathway from poverty in achieving Graduation criteria.

## **IMPACT EVALUATIONS**

Impact evaluations will be undertaken to complement a robust internal programme monitoring framework and will be collected on a sample of households at baseline, mid-line, and endline by the REACH.

Impact evaluations will be used to answer broader questions around the programme's impact measured at discrete intervals typically at the outset, midpoint, and close of programme operations. These will play an important role within the coalition partners by improving programme effectiveness; increasing accountability among key stakeholders; demonstrating presence or absence of near-term and long-term outcomes; and advocating for change using evidence-backed rationale for changes to policy and practice at local, national, and global levels.

**Matrix for monitoring and evaluation of the project**

<b>Graduation Criteria</b>	<b>Quantitative Data (What change is observed?)</b>	<b>Qualitative Data (Why is this change observed?)</b>
Income generation	Beneficiaries have increased and consistent income; affordability of basic services; Acceptable FCS; Increased HH expenditure	Beneficiaries develop skills; gain confidence from others like them succeed; have more energy to work due to eating three meals per day
Social integration	Beneficiaries able to freely engage in the market without any form of discrimination; Gender equality in labour market	Beneficiaries have more confidence to socialise; inclusive community meetings
Food security	Beneficiaries eating three meals a day; Dietary Diversity Score	Beneficiaries have stable income, and understand the importance good nutrition due to life skills training.
Children attend school	Children attend school, have fewer sick days	Children have more confidence, more friends, enjoy school more, feel greater hope for the future, and have more energy to study after eating a nutritious breakfast

# Project Budget

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## FUNDING REQUEST

Coalition partners propose a 5 year project with operational research embedded within the first 2 years. The overall target will be 5,000 HHs in Erbil, Duhok and Sulaymaniyah and the proposed budget for the project is **USD 11,450,000**

Figure 3: Financial structure of the project

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## PROJECT BUDGET

Target: both host & refugee communities



Costs include consumption support, asset transfer, staffing, monitoring and head-office overhead. This wide range in costs reflects the differences in underlying cost structures from country to country (e.g. local salary scale, population density, and status of infrastructure) and from the emphasis placed on each of the building blocks (e.g. size and duration of consumption support).

**Table 7: Project budget over 5 years**

<b>TOTAL PROJECT BUDGET</b>	<b>Total Cost in USD</b>
<b>ASSESSMENT COSTS</b>	<b>200,000</b>
<b>PREPARATORY COSTS</b>	<b>50,000</b>
<b>PARTICIPANT TARGETING &amp; TRAINING</b>	<b>250,000</b>
<b>PARTICIPANT DIRECT SUPPORT</b>	
<b>Social Protection - Consumption Support and Linkage to support Services (Health, WASH, Education, Safety Nets)</b>	
<i>Non-Refugee (1,000) supported with \$ 400 per month for 3 months (Assumption is UNHCR already has a MPCA program for Refugee for 1 Year)</i>	<b>1,200,000</b>
<b>Livelihood Promotion - Asset Transfer &amp; Technical &amp; Business Skills Training</b>	
<i>5,000 ultra-poor beneficiaries supported with Asset Transfer and Capacity Building at estimated cost of \$ 1,500</i>	<b>7,500,000</b>
<b>Financial Inclusion - Savings Support and Financial Literacy Training</b>	
<i>Financial Literacy Training, Establishment of Savings Groups and Facilitate the groups at least for one cycle (Assumption 100% of beneficiaries are trained on financial Literacy and taken through savings training - estimated costs of Financial Literacy is \$ 50 per beneficiary for 5 sessions while for Saving Group estimated cost of establishment is \$ 150 for 12 months)</i>	
<i>Financial Literacy Training</i>	<b>250,000</b>
<i>Establishment and support of Saving Groups</i>	<b>750,000</b>
<b>Social Empowerment - Social Integration and Life-skills Training {Coaching}</b>	
<i>All beneficiaries are taking through coaching, Life skills and Social Cohesion Sessions with unique women empowerment sessions facilitated mainly for women - Estimated cost for facilitating these social empowerment for at least 12 months is \$100 per beneficiary</i>	<b>500,000</b>
<b>RESEARCH, MONITORING &amp; EVALUATION, KNOWLEDGE DEVELOPMENT &amp; DISSEMINATION</b>	<b>750,000</b>
<b>OVERALL BUDGET COST</b>	<b>11,450,000</b>

## Annex I – Risks and Assumptions

Table 8: Internal and external risks

	Assumption	Risk	Likelihood	Impact	Mitigation
Internal	Coalition partners continue programs in Iraq up to 2024		Normal	Low	Coordination with Livelihoods Sector, Development Actors, Government Actors and other Livelihoods Organizations
	It is assumed that assistance will reach the targetted beneficiaries as planned/intended.	Diversion of goods or assets from the programme negatively affects or reduces the impact	Low	High	Partners have strict procurement procedures and processes in place. In the event that goods are diverted, partners are obliged to carry out an independent investigation. In the worst case scenario, that international staff are not able to access the operational areas, a remote management plan will be developed, which includes triangulation of data via community networks, authorities and other stakeholders.
External	Funding Remains stable		High	Normal	Diversification of funding sources for the project
	Protection Environment remains favourable		Low	High	
	Continued investment by actors and government towards economic recovery and rehabilitation efforts in country		Normal	High	Continuous advocacy across various levels- Nationally and Internationally.
	It is assumed that there will be no massive population movements with target groups remaining in the targetted locations.	Refugees/IDPs suddenly return en masse to their place of origin	Low	High	Ensure that the graduation activities can be adapted and contextualized for a return scenario with emphasis being on providing portable tools and skills.
	It is assumed that assistance of refugees will not result in tensions between refugees and the hosts	Increased tensions between Community and displaced groups	Low	High	Partners already have extensive experience in implementing projects in both camp and non-camp settings and there is close coordination with the authorities and with other key stakeholders. However, focusing on refugees only can create a sense of disparity or discrimination, which could lead to conflict in non-camp areas where the target group is living and difficulties accessing those areas. Partners will work to minimize such risks by engaging with the host community and target group during program design, and through the use of Community Feedback Response Mechanisms (CFRM)