EN

THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX

to the Commission Implementing Decision on the financing of the Annual Action Plan in favour of Iraq for 2026

Action Document for 'Investing in Iraq's future – Private Sector Development, Youth and Culture'

ANNUAL ACTION PLAN
This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and an action plan in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title **OPSYS** **Basic Act**	Investing in Iraq's future – Private Sector Development, Youth and Culture Annual Action Plan in favour of Iraq for 2026 OPSYS business reference: ACT-63559 SUMMA fund reservation number: JAG.SUM.2533913 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Economic and Investment Plan (EIP)	No
EIP Flagship	No
3. Team Europe Initiative	Yes Team Europe Initiative in Iraq called "TAEUFIQ"
4. Beneficiar(y)/(ies) of the action	The action shall be carried out in Iraq.
5. Programming document	Multi-annual indicative programme 2021-2027 for Iraq
6. Link with relevant MIP(s) objectives/expected results	Priority area 1: Green jobs creation and economic diversification Specific objective 1.1: Promote an economic transformation that creates decent jobs and increases productive capacity Specific objective 1.2: Create a macro-fiscal, business, investment environment conducive to develop the non-oil economy and promote an inclusive green recovery Expected results:

	1.1.1 Increased formalisation of businesses and increased productive and quality employment with focus in the green economy and agribusiness. 1.2.1 Improved confidence in the performance of the Government on macro-fiscal governance. 1.2.2 Improved competitiveness and sustainability of the Iraqi private sector, complemented by green economic, fiscal policies and measures Priority area 2: Human development and social contract Specific Objective 2.1: Improve quality, equality and digitalisation of the education system including technical education and vocational training Expected results: 2.1.1 Improved access and completion of inclusive and equitable primary and secondary and TVET education with focus on IDPs, refugees, returnee girls and children with disabilities and direct link to labour market (for TVET)
PRIORITY AREAS AND SECTOR INFORMATION	
7. Priority Area(s), sectors	Priority area 1: Green job creation and economic diversification Priority area 2: Human development and social contract DAC 250 (Business & Other Services), DAC 151 (Government & Civil Society-general)
8. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 8 Decent Work and Economic Growth Other significant SDGs: SDG 1 End poverty SDG 5 Gender equality SDG 10 Reduced inequalities SDG 16 Peace and Justice Strong Institutions SDG 17 Partnerships for the Goals
9. DAC code(s)	32130 - Small and Medium-sized enterprises (SMEs) development 40% 16061 – Culture and cultural diversity – 40% 16020 – Employment Creation – 10% 15110 – Public sector policy and administrative management – 10%
10. Main Delivery Channel	Other public entities in donor country - 11004
11. Targets	☐ Migration ☐ Climate ☒ Social inclusion and Human Development ☐ Gender ☐ Biodiversity ☒ Human Rights, Democracy and Governance

12. Markers (from DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☒	☐

	Aid to environment	☒	☐	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction	☒	☐	☐
	Inclusion of persons with Disabilities	☒	☐	☐
	Nutrition	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity	☒	☐	☐
	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☒	☐	☐
13. Internal markers and Tags	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	EIP	☒	☐	☐
	EIP Flagship	YES ☐		NO ☒
	Tags	YES		NO
	transport	☐		☒
	energy	☐		☒
	environment, climate resilience	☐		☒
	digital	☐		☒
	economic development (incl. private sector, trade and macroeconomic support)	☒		☐
	human development (incl. human capital and youth)	☒		☐
	health resilience	☐		☒
	migration and mobility	☐		☒
	agriculture, food security and rural development	☐		☒
	rule of law, governance and public administration reform	☒		☐
	other	☐		☒
	Digitalisation	☒	☐	☐

	Tags	YES		NO
	digital connectivity	☐		☒
	digital governance	☐		☒
	digital entrepreneurship	☐		☒
	digital skills/literacy	☐		☒
	digital services	☐		☒
	Connectivity	☒	☐	☐
	Tags	YES		NO
	digital connectivity	☐		☒
	energy	☐		☒
	transport	☐		☒
	health	☐		☒
	education and research	☐		☒
	Migration	☒	☐	☐
	Reduction of Inequalities	☐	☒	☐
	COVID-19	☒	☐	☐
BUDGET INFORMATION				
14. Amounts concerned	Budget line(s) (article, item): 14020130 Total estimated cost: EUR 27 000 000 Total amount of EU budget contribution: EUR 27 000 000 The commitment of the EU's contribution to this action will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the Team Europe Initiatives (TEI) and/or these contributions do not materialise, the EU action may continue outside a TEI framework.			
MANAGEMENT AND IMPLEMENTATION				
15. Implementation modalities (management mode and delivery methods)	**Direct management** through: Grants Procurement **Indirect management** with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.4.			

1.2. Summary of the Action

Over the last decade, Iraqi oil revenues accounted for more than 99[1] percent of its exports, 95[2] percent of government revenues, and 42[3] percent of Iraqi gross domestic product (GDP). This dependence on oil makes

[1] Annual report for Iraq, Extractive Industries Transparency Initiative, 2021
[2] Iraq economic monitor report, *Re-emerging Pressures: Iraq's Recovery at Risk*, World Bank, 2023.
[3] World Bank data, 2023.

the Iraq vulnerable to conflicts that affect local production and export routes (shipping and pipelines). The country is exposed to macroeconomic volatility while budget rigidities, linked to growing wage bill and transfers, restrict fiscal space and opportunities for counter cyclical policy. Moreover, Iraq is confronted with significant risks stemming from structural bottlenecks, such as constraints in public investment management that have hindered the delivery of essential public services.

Youth in Iraq represent the country's largest demographic group with sixty percent aged below 25. Within a context of persistent fragmentation across youth movements—driven by regional, sectarian, generational and ideological divides—there is a growing need to foster inclusive, structured and coordinated forms of youth engagement. While calls for political and socio-economic reform have grown louder in recent years, young Iraqis often lack shared platforms to build consensus, develop joint strategies, and engage constructively with state institutions. As calls for reform and youth representation have grown louder, the cultural and creative sectors offer an avenue to support the socio-economic integration of young people, and reinforce national identity.

Cultural initiatives can serve as inclusive spaces that encourage cross-community interaction, the emergence of shared civic values, social entrepreneurship, and participation in public life. Beyond its symbolic significance, the cultural sector also presents concrete opportunities for job creation and economic diversification. Indeed, the EU-supported heritage restoration initiatives in Mosul and Basra (2019–2027) are one of the cultural initiatives that have created over 4,900 jobs, with 1,540 youth beneficiaries trained in heritage conservation and cultural professions.

From 2022 to the start of the US/Israel-Iran conflict on 28 February 2026, Iraq was on a pathway to increased internal security and stability and enhanced public service delivery . Although a relative stability has been maintained so far, attacks from the US/Israel, Iran and Iraqi militias on Iraqi soil, combined with plummeting oil revenues, have increased the risk of internal conflict and social unrest. Although the complex process of state-building has progressed, underlying structural weaknesses such as corruption, the lingering consequences of the current and past conflicts, and the effects of climate change continue to jeopardise the country's long-term trajectory to prosperity. Nevertheless, there is also reason for optimism for Iraq to find the way back up considering the general desire for peace and socio-economic development across society, political commitment, and the available natural resources and investment opportunities.

In this context, the EU remains committed to Iraq's future, as the country's economic development and diversification, strengthening of rule of law, good governance and consolidation of its democracy are key to promote stability not only in Iraq, but also in the wider region. This Action is part of the 2021-2027 programming period, which was designed in the context of the EU concluding its shift from post-crisis recovery support to Iraq through Special Measures to long-term development programming through a dedicated Multi-annual Indicative Programme (MIP) and Annual Action Plans (AAPs).

In line with the MIP's objective, the overall objective of the Action is **to contribute to paving the way for economic development and diversification and a prosperous future for all** with both federal government institutions and regional bodies, including the Kurdistan Region of Iraq (KRI). It is delineated into four specific objectives (outcomes):

1. Promote gender responsive and inclusive sustainable growth and competitiveness of the private sector by improving access to finance for SMEs and enhancing their capacity to expand through business development support and market opportunities in an investment-friendly environment;
2. Safeguard Iraq's cultural heritage while creating employment opportunities, particularly for youth in heritage restoration, hospitality, tourism, and related services;
3. Capacity and technical knowledge of Government entities and other Iraqi institutions linked to the EU Delegation's Development Cooperation framework are enhanced.

This action intends to achieve this by building on the successes of previous EU-funded interventions, such as the Public Finance and Financial Markets (FFM) project, Financial Inclusion for Economic Restart and Integration in Iraq (FI) project, and the Private Sector Development and employment promotion (PSD) project. The culture component of the action will build on the three phases of the project "Reviving Mosul and Basra Old Cities" as they are a solid basis of the economic recovery and social cohesion of Mosul and Basra through the creation of decent jobs in the reconstruction of their historical urban centres, as well as to support SMEs active in the cultural and creative industries. In addition, the purpose of the Action is to contribute to promoting a culture of Iraqi citizenship among all youth from diverse groups by leveraging on existing youth-led organisations.

The Action intends to draw on lessons learned from previous and ongoing actions and interventions to ensure effective implementation. The action contributes to sustain and build strong relationships with Iraqi institutions responding to the needs of both current and future administrations.

The Action will also align and complement other EU interventions on topics such as improving climate business and renewable energy transition. The Action will work towards SDGs 1 (End poverty), 5 (Gender equality), 8 (decent work and economic growth), 10 (reduced inequalities), 16 (peace, justice and strong institutions) and 17 (partnerships for goals).
With the EU positioned as a key partner, the intervention will assist Iraq to achieve critical reforms, contributing to regional stability and cooperation to create a favourable environment to implement investments and the Global Gateway.

1.3. Beneficiar(y)/(ies) of the action

The Action shall be carried out in Iraq which is included in the list of ODA recipients.

2. RATIONALE

2.1. Context

According to the latest national population census, Iraq's population is approximately 41.6 million and is projected to exceed 70[4] million by 2050. Iraqi youth represent a dynamic workforce with significant potential for economic growth and stability. However, this young population is seeking sufficient employment opportunities and improved basic services. Currently, Iraq's unemployment rate stands at 35,2%[5], with 67% of this employment being informal. Therefore, expanding economic opportunities and improving access to the labour market, especially for younger generations, will be essential in the coming years.
Regarding the Human Development Index (HDI), Iraq ranks 128th out of 193rd countries, indicating a moderate level of human development. This ranking underscores both the potential for progress and the need for substantial improvements across various sectors to enhance the quality of life for its citizens.

The SIGI 2023 profile for Iraq obtained a score of 60, indicating very high levels of discrimination. This is higher than the average score of 56 in the MENA region and the world average score of 29. Iraq obtained the highest score in the 'Discrimination in the family' dimension (87), followed by 'Restricted civil liberties' (55), 'Restricted physical integrity' (51), and 'Restricted access to productive and financial resources' (41)[1].
Regarding people with disabilities, Iraq has one of the largest populations in the world. Yet, there has been little consultation with persons with disabilities and their representative organizations by the government and

[4] Iraq Country profile, United Nation Population Fund to Iraq (UNFPA).
[5] International Labour Organization, Iraq, 2024.

humanitarian and development agencies prior to 2020. Persons with disabilities in Iraq are disproportionately impacted by war, armed conflict, terrorism, violence and economic hardship.

In terms of national frameworks, policies and strategies, Iraq has adopted several key documents since the formation of the current Government. The country launched its 4th National Development Plan in May 2024 covering the period of 2024 to 2028. Out of the thirteen general objectives (GO) targeted by the plan, the Action will contribute to a minimum of seven[6]. Additionally, Iraq's first phase Climate Investment Plan (CIP) was launched on September 16, 2025, aiming to integrate climate considerations into investment strategies for the period 2025–2030 and attract both public as well as private funding for climate action. Similarly, the country has launched the 'National Disability Inclusion Strategy for Children and Young People 2026–2030', establishing a comprehensive framework to secure the rights of children and young people with disabilities to health, education, protection and community participation. In the past years, the Government of Iraq has also increasingly given more attention to the restoration and rehabilitation of a number of cultural heritage sites reflecting a commitment to preserving its rich cultural legacy while fostering sustainable development. This action is aligned with Iraq's national framework for culture and development, particularly the 2005 Iraqi Constitution, the Antiquities and Heritage Law No. 55 (2002), and the Ministry of Culture's sectoral cultural and heritage strategies.

The Iraqi government has outlined several key ambitions and priorities to address the country's economic and social challenges, fighting corruption, improving governance and ensuring security. There is also a strong commitment to modernise the economy, strengthen democratic institutions, and improve Iraq's position on the international stage. Iraq has considerable untapped economic potential, which can only be realised through empowering the private sector, strengthening state institutions, and restoring legal and institutional frameworks to ensure long-term stability. Therefore, it is crucial to prioritise robust economic governance, which includes crucial reforms, effective public financial management, and stringent anti-money laundering measures. Furthermore, empowering the private sector and positioning Iraq for investments are important steps toward achieving lasting stabilisation and transformative reform. This in turn will reduce future fragility and migratory flows out of the country.

The proposed action will support diversification of economic opportunities and responds to the key priorities defined by the EU in its approach to Iraq. Considering the socio-economic realities, there is a clear need to encourage rapid, large-scale private sector job creation and economic growth. The Action will contribute to tackle the nation's challenges head-on and pave the way for economic stability and prosperous future for all Iraqis.

Capturing a single and comprehensive Iraqi "essence" of youth is not possible. Research effectively stresses that, such as for the rest of the population, youth identity remains fragmented along regional, political, sectarian, and ethnic lines. For example, a field study published by the Arab Reform Initiative in 2022 clearly highlights the diversity of young men's and women's needs and visions for their future depending on their respective background[7]. Youth movements in Iraq also suffer from a lack of consensus over certain key issues. Within a context of persistent fragmentation across youth movements—driven by regional, sectarian, generational and ideological divides—there is a growing need to foster inclusive, structured and coordinated forms of youth engagement. As calls for reform and youth representation have grown louder, the cultural and creative sectors offer an avenue to promote dialogue, reinforce national identity, and support the socio-economic integration of young people. Cultural initiatives—whether through performing and visual arts, literature, film, craft or heritage promotion—can serve as inclusive spaces that encourage cross-community interaction, mutual understanding, and the emergence of shared civic values. Culture also provides young people with tools for constructive expression, social entrepreneurship, and participation in public life.

[6] GO 1,2,5,7,9,10 and 11.

7 Arab Reform Initiative (2022): Iraqi youth in context of conflict: fragmentation, divergent strategies and the impossibility of inclusion. https://www.arab-reform.net/publication/iraqi-youth-in-contexts-of-conflict-fragmentation-divergent-strategies-and-the-impossi-bility-of-inclusion/

Beyond its symbolic significance, the cultural sector also presents concrete opportunities for job creation and economic diversification. The EU has a strong track record in this area, notably through the EU-supported heritage restoration initiatives in Mosul and Basra (2019–2027), which have created over 4,900 jobs, with 1,540 youth beneficiaries trained in heritage conservation and cultural professions. However, key historical regions such as Ur remain under-developed and underserved, highlighting the untapped potential of culture as a driver for sustainable economic growth and youth employment. By supporting culture as a crosscutting enabler of dialogue, pride, and opportunity, the action can contribute to both national reconciliation and the empowerment of Iraq's youth—while aligning with Iraq's economic diversification agenda and the EU Youth Action Plan in External Action. Finally, restoration initiatives such as those in Mosul and the Erbil citadel are beginning to attract private-sector investment. For example, following an EU-funded project, the Erbil restoration is now funded by a private-sector company, with technical support from UNESCO.

2.2. Problem analysis

Short problem analysis

Investment and private sector development: They are mainly constrained by legal and regulatory uncertainty, weak contract enforcement, complex bureaucracy, and widespread corruption, which together increase risk and transaction costs for businesses. These challenges are compounded by political instability, security concerns, poor infrastructure—especially electricity and transport—and a weak financial system that limits access to credit for SMEs. In addition, the dominance of the public sector, skills mismatches in the labour market, underdeveloped business support ecosystems, and heavy dependence on oil reduce competitiveness and discourage long-term, diversified private investment.

Youth and culture: With around 60%[8] of its population under the age of 25, Iraqi youth represent a dynamic workforce, however this young population is seeking employment opportunities and improved basic services. Currently, Iraq's unemployment rate stands at 15.3%[9], with one-third being youth unemployment. Cultural development in Iraq faces major challenges related to decades of conflict, including damage to heritage sites, limited funding, and weak institutional capacity within cultural authorities. These issues are compounded by outdated legal frameworks, centralized decision-making, insufficient coordination between national and local institutions, and heavy reliance on international partners. In addition, limited public investment in arts and culture, limited private-sector engagement, skills gaps in cultural management and conservation, and broader economic and security pressures constrain the sustainable protection, promotion, and diversification of Iraq's cultural sector.
In addition, Child marriage remains a major concern in Iraq, primarily affecting girls. In 2023, 18% of girls aged 15-19 were or are still married, divorced, widowed or in an informal union, compared to 4% of boys. Furthermore, 28% of women aged 20-24 were married or in a union before the age of 18,7 compared to a world average of 26% and an average of 17% in the MENA region – based on countries for which data are available. Article 7 of the Personal Status Law as amended, establishes the minimum legal age of marriage for women and men at 18 years. However, Article 8 introduces legal exceptions to this minimum legal age of marriage and authorises minors aged more than 15 years to get married with the authorisation of the guardian.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action.

This is a non-exhaustive list of partners for specific objective 1, 2, 3:

- Prime Minister Office (PMO): as executive body working with the Prime Minister in governing and coordinating the work of the government, PMO to act as key link between the action and the executive.

[8] United Nations Children's Fund to Iraq (UNICEF), 2023.
[9] World Bank, Iraq, 2023.

- Ministry of Planning (MoP): government body responsible for national development planning and policy coordination, counter signatory for Financing Agreements with the EU. Prime Minister Advisory commission.
- Sector ministries involved in the sectors of culture and private sector to be closely involved in the action are Ministry of Trade for private sector support, Ministry of Culture Tourism and Antiquities (MoCTA) f Ministry of Youth and Sports.
- State Board of Antiquity and Heritage (SBAH): technical lead on assessments, conservation standards, documentation, and quality supervision.
- Baghdad Municipality/Governorate: permits, urban coordination, public space and infrastructure interfaces, and maintenance arrangements.
- The High Committee on citizenship.
- The Al-Hasan Ibn Al-Haytham Committee for Iraqi Visual Memory.
- Universities/technical institutes: documentation support and targeted training modules/internships.
- Civil society/community groups (incl. women and youth): consultation, needs validation, reuse ideas, and local ownership.
- Private sector actors (local SMEs, tourism operators, chambers/associations, private's banks, micro finance institutions, Chambers of commerce, alliances, property owners, service providers): engaged to identify viable reuse and service opportunities, align phasing/access, and support investment and job creation linked to the cluster.
- Contractors/artisans/workers: engaged through works and apprenticeships for jobs and skills transfer.
- Youth-led organisations from various governorates and also from Baghdad.
- Youth Committees (YC) at local and national level.
- Young leaders from all relevant parliamentary committees, and the State Council.
- Sub-national structures, including Governorates, Governor's offices and municipalities in targeted areas, both in federal Iraq and KRI will be targeted in the implementation.

While these are the key envisaged partner institutions, it is recognised that in the development context there are several international actors – such as the World Bank and the International Finance Corporation – who are also supporting the government of Iraq in the public and private sectors.

2.3. Lessons learned

Lessons learnt from EU supporting international organisations-led funds or EU Member States agencies, show that a prominent leading role must be maintained by the EU, actively supporting policy dialogue with Government and other stakeholders as well as adequate EU visibility. Direct work and coordination with local institutions and actors from the private and public sectors, although challenging in some sectors, remain crucial to ensure a sustainable knowledge sharing.

Private sector and Investment: Over the past twenty years, the EU has deployed an important financial support to the private sector, notably to SMEs. Despite that, lending to companies through financial institutions has not reached its full potential, due to various challenges. Increasing access to finance, combined with technical assistance to businesses, while supporting reform business environments and strengthening legal frameworks, remains a crucial support for economic growth.
One of the key lessons from the EU-funded regional projects in the region is the importance of supporting SME and building more inclusive private sector as a foundation for sustainable growth.
Experience shows that targeted financial instruments and tailored support mechanisms are key to reach underserved groups including women, youth and entrepreneurs in rural areas who continue to face several challenges accessing to finance. Moreover, facilitating regional knowledge sharing and peer learning has proven to be efficient in adapting successful approaches to different countries context.

Recent experiences shared by partners and donors regarding economic growth interventions and support for the private sector in Iraq emphasise **the need for a realistic and pragmatic approach, particularly in the realm of financial governance.**

Youth and culture: The lessons learnt from the EU-funded TAHAWER programme, implemented by British Council, which dealt with local youth movements provided great progress over the course of four years in strengthening the participation of young people in peace-building, improving their understanding of individual differences (especially around religion) and connecting them to influential Iraqis to shape decision making. Yet, it was concluded that there is a continuous need for safe spaces for young people to give voice to their hopes, concerns, issues and grievances.

Concrete challenges were encountered when establishing the TAHAWER clubs in peripheral tribal and religious areas where local societies were extremely conservative and would not allow the participation of women in any discussion activities, let alone mixing with men. To overcome these the project team utilised a number of tools to approach parents directly by introducing the youth-led programme through door-to-door campaigns, information days (where parents are invited to attend), civil society networks of volunteers and the support of schools and universities heads to promote the project on and off campus.

The EU-funded heritage restoration project in Mosul and Basra demonstrated that cultural heritage plays a central role in post-conflict recovery by contributing simultaneously to social cohesion, economic revitalisation, and urban regeneration. The project showed that investing in the restoration of historic sites helps rebuild collective identity and trust in a city emerging from conflict, particularly when the process is inclusive of Mosul's diverse religious and cultural heritage. A key lesson was the importance of local ownership: training and employing local craftsmen, engineers, and youth not only generated employment but also strengthened long-term capacity for heritage management. **The initiative further highlighted that heritage restoration acts as an economic catalyst by stimulating small businesses and laying the groundwork for tourism and local investment.** Finally, the three phases of the project confirmed that heritage-led recovery is most effective when embedded in a holistic approach that combines physical reconstruction with education, skills development, strong partnerships between international donors, private sector and local authorities, and clear technical guidelines to ensure quality and sustainability.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and expected Outputs

The Overall Objective/Impact of this action is to contribute to addressing the current nation's challenges and paving the way for economic stability and a prosperous future for all Iraqis with both federal government institutions and regional bodies, including the Kurdistan Region of Iraq (KRI).

The Specific Objectives of this action are to

1. Promote gender responsive, inclusive and sustainable growth and competitiveness of the private sector by improving access to finance for SMEs and enhancing their capacity to expand through business development support and market opportunities in an investment-friendly environment.
2. Safeguard Iraq's cultural heritage while creating employment opportunities, particularly for youth in heritage restoration, hospitality, sustainable tourism, and related services.
3. Enhance the capacity and technical knowledge of Government entities and other Iraqi institutions linked to the EU Delegation's Development Cooperation framework.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

1.1 contributing to Outcome 1 (or Specific Objective 1): Support economic diversification by developing the access to finance for small and medium-sized enterprises (SMEs) and contributing to an investment's friendly environment.
1.2 contributing to Outcome 1 (or Specific Objective 1): Strengthen the capacity of selected private sector companies by providing tailored business development support, access to new markets, and investment facilitation.
2.1 contributing to Outcome 2 (or Specific Objective 2): Promoted economic diversification and job creation through the restoration and rehabilitation of cultural sites, alongside with the development promotion of sustainable local and regional tourism in the selected sites.
2.2 contributing to Outcome 2 (or Specific Objective 2): Enhanced capacities of central and local authorities in the restoration and management of cultural heritage sites.
2.3 contributing to Outcome 2 (or Specific Objective 2): Enhanced plural and inclusive national belonging values for young Iraqis (Support to the High Committee for citizenship), especially through the promotion of Iraqi culture and heritage; and ensuring the safe and accessible participation of women, persons with disabilities, minorities, displaced persons, and other vulnerable groups.
3.1. contributing to Outcome 3 (or Specific Objective 3): On-demand technical assistance to Government entities and other Iraqi institutions, thematic evaluations and capacity building linked to the EU Delegation's Development Cooperation framework provided.

The objectives of the Action contribute to the general objectives of the Team Europe Initiative, which are: 1) banking sector reform and access to finance; 2) entrepreneurship and business development business and 3) investment enabling environment.

3.2. Indicative activities

Activities related to Output 1.1:

- Carry out gender responsive and inclusive analytical work and market assessments to identify key constraints to SME access to finance in Iraq, with particular attention to diversification-oriented sectors (e.g. agribusiness, light manufacturing, renewable energy, ICT, and services).
- Support the development and rollout of inclusive financial instruments for SMEs, including risk-sharing facilities, credit guarantees, and blended finance mechanisms, in cooperation with Iraqi financial institutions.
- Strengthen the institutional and technical capacity of public and private financial actors (banks, microfinance institutions, regulators) to expand sustainable SME lending, including in underserved regions.
- Provide targeted business development services and technical assistance to SMEs to enhance financial literacy, corporate governance, compliance, and investment readiness.
- Improve the investment climate for SMEs by supporting policy dialogue, regulatory reforms, and the implementation of SME-friendly frameworks related to access to finance, taxation, and business registration.
- Facilitate public–private dialogue and coordination between government institutions, the private sector, and international partners to promote private-sector-led growth and economic diversification
- Promote innovative and alternative financing solutions, including digital financial services, leasing, Islamic finance, and fintech, adapted to the Iraqi context.
- Enhance access to market information and investment opportunities through networking platforms, investment promotion activities, and partnerships with local chambers of commerce and business associations.
- Establish inclusive and gender responsive monitoring, evaluation, and learning mechanisms to track progress on SME financing, investment flows, job creation, and contributions to economic diversification.

Activities related to Output 1.2

- Identification, selection, and baseline assessment of beneficiary companies. A transparent and competitive selection process shall be established to identify eligible private sector companies based on predefined criteria, including growth potential, employment generation, sustainability, and compliance with national regulations.
- Provision of tailored business development services Targeted business development support shall be delivered to beneficiary companies based on the outcomes of the baseline assessments. This shall include individualized technical assistance, mentoring, and coaching in areas such as strategic planning, financial management, corporate governance, operational efficiency, and risk management. Support shall be adapted to the specific needs and maturity level of each company.
- Support to market access and market diversification. Beneficiary companies shall be supported to improve their access to domestic, regional, and international markets. This shall include market research, value chain analysis, and advisory services to meet market entry requirements, including quality standards, certification, branding, packaging, environmental standards and circular economy. The action shall facilitate participation in business-to-business (B2B) meetings, trade fairs, trade missions, and buyer–seller events, as appropriate.
- Investment readiness and investment facilitation: This activity shall enhance the investment readiness of selected companies through technical support in the preparation of financial projections, business plans, and investment pitch materials. Structured matchmaking activities shall be organised to connect companies with potential investors, financial institutions, and investment promotion entities.
- Capacity building on regulatory compliance and business environment requirements. Beneficiary companies shall receive capacity-building support on compliance with applicable national regulatory frameworks, including taxation, labour law, customs, and trade regulations. Guidance shall also be provided on environmental, social, and governance standards and relevant international/regional market requirements.
- Strengthening business networks and partnerships. This activity shall promote the integration of beneficiary companies into relevant business networks and support partnerships with chambers of commerce, business associations, and business support organisations. Peer-learning mechanisms, networking events, and thematic roundtables shall be organised to facilitate knowledge exchange and collaboration within the private sector ecosystem (e.g Iraq National Trade Forum).

Activities related to Output 2.1:

- Conduct initial assessments: Rapid baseline assessments including a private sector/market scan of feasible investment and SME opportunities, a mapping and a needs assessment of existing youth–led organisations across the country, taking into consideration specific needs , t a gender analysisPractical workshops and on-site training ("restoration schools") at pilot heritage sites, offering hands-on experience in traditional techniques (e.g. stone carving, lime plastering) for young people seeking direct integration into the labour market.
- Formulation of action plans in these fields (such as culture, sport, heritage, living together, employment etc).
- Structured consultations and prioritisation workshops with government, CSOs, communities, tourism experts and private-sector actors to agree criteria, select sites, define phasing, and validate reuse/activation opportunities.
- Develop the Priority Rehabilitation and Implementation Plan for the selected Old City cluster and secure formal endorsement by relevant authorities, supporting adaptive reuse and initial activation of rehabilitated spaces with linkages to SMEs and tourism operators.
- Carry out restoration and rehabilitation works on priority heritage sites in line with cultural heritage conservation standards.
- Prepare a Management Plan / documented management system (governance roles, maintenance, monitoring, risk preparedness) aligned with tentative list requirements.

- Develop a sustainable tourism and visitor management framework and train counterparts on visitor flows, carrying capacity, access, and interpretation.
- Conduct comprehensive site assessments, including conservation needs, institutional capacity, tourism pressures, environmental and biodiversity concerns and risk.
- Support the initial activation of rehabilitated spaces by integrating them into tourism circuits and linking them with local SMEs and tourism operators
- Development of academic modules and summer schools, jointly designed by Iraqi universities and international institutions (including from EU Member States), to strengthen university curricula in heritage preservation and promotion.
- Support the design or strengthening of professional trainings in key creative and technical roles, including screenwriting, directing, production and post-production.
- Delivery of short, hands-on trainings in on-set professions (e.g. sound, camera, lighting) in collaboration with industry professionals and local production companies.
- Facilitation of post-production training and equipment access to support the development of a local ecosystem capable of delivering quality content and services, thus increasing professional opportunities for young creatives.
- Creation of advocacy documentaries and short films on Iraq's heritage and culture, in collaboration with universities and CSOs, for dissemination in schools, universities, and cultural venues.
- Development of educational kits for the youth, in partnership with schools and universities, involving students in communication and marketing.
- Support the training of tourist guides, with a focus on how to promote the heritage protection among the public, collaborate with NGO and schools to develop MOOCs or online courses for young heritage guides.
- Financial and technical support to joint initiatives identified through the process. A specific attention will be paid to initiatives that promote entrepreneurship or job opportunities for youth at local level (to be merged with activities under Output 2.1).
- Implement cluster-based rehabilitation works (structural stabilization, roofs, façades, public realm improvements, access and safety measures) according to international conservation standards, integrating on-the-job training, apprenticeships, and short courses for local workers, artisans, and young professionals
- Pilot inclusive cultural and community events in rehabilitated or activated sites to promote shared use, dialogue and local development, with targeted outreach to underserved and conflict affected areas.

Activities related to Output 2.2:

- Conduct an assessment of existing capacity gaps and training needs in the cultural heritage, tourism and audiovisual sectors in Iraq, with a focus on youth inclusion and employability. The study will engage relevant national and local stakeholders—including public institutions, academic actors, CSOs and youth networks—to identify priority areas for sector structuring and professional development. It will also seek to map existing initiatives and formulate recommendations for future interventions.
- Shared diagnosis to identify synergies, fields of common interest and priorities at local level.
- Develop or update one Site Management Plan for a new aera/city (governance, maintenance, monitoring, risk preparedness) in consultation with UNESCO and relevant authorities, including a sustainable tourism and visitor management framework (visitor flows, access, interpretation, and safeguards for heritage integrity).
- Develop a comprehensive conservation plan for the World Heritage Property that addresses identified risks, including structural vulnerabilities and environmental pressures
- Support capacity development for government counterparts on site management, monitoring, and conservation techniques.
- Specialised training for young professionals in archaeology, conservation and site documentation (e.g. GIS, archaeological mapping, heritage diagnostics), in partnership with Iraqi institutions and international partners.

Activities related to Output 2.3:

- Initial assessments: Identification of priority topics for each category of youth-led organisation, conduct a mapping of existing Youth Committees (YC) within Governorates and at national level, a a needs assessment of the EUD's and MS specific needs in terms of consultation (policy areas, scopes, format, frequency, expertise needed etc…).
- Provision of capacity building to youth-led organisation on the following:
- Thematic training on priority topics to increase technical knowledge.
- Technical training to increase their knowledge on policy making process in Iraq and role/mandate of Iraqi institutions both at national and local level to identify leverage of actions for advocacy.
- Support data collection and production of research on priority topics for the High committee for citizenship.
- Capacity building and/or coaching on advocacy methods and debate to increase their capacities to debate and exchange with senior policy makers.
- Create communities of practice for each topic of interest to enhance exchanges on opportunities, challenges, knowledge and practices amongst youth-led organisations that share similar interests and objectives amongst cities and governorates.
- Provision of financial support to youth-led organisations through grant scheme to support youth-led projects and local economic development in line with the objective of this project (this could be combined/merged with activities under Output 2.3 on pilot actions).
- Setting up of thematic working groups with young community leaders (including young Iraqi leaders from abroad); Provision of thematic expertise to animate these working groups; Support the working groups in the drafting of policy recommendations; Provision of logistical and organisational support for setting up policy dialogues with national/local authorities.
- Building on activities under Output 2.1 and the mapping of active youth-led organisations, this activity seeks to create a youth advisory board to formally contribute to the formulation of EU funded initiatives in Iraq or to the definition of the EU roadmaps and intervention on youth in the country.
- Development of Terms of References (ToR) for the advisory group in consultation with the EUD and EU MS. These ToR will define the specific objectives, operational modalities of the youth advisory board, selection criteria for participants and address coordination modalities between EUMS.
- Launch a call for expression of interest among youth led organisation to identify young community leaders willing to participate to this youth advisory board.
- Identification of priority consultation topics and creation of thematic advisory groups according to each young candidate's thematic expertise and background.
- Support the organisation of youth advisory board meetings (definition of annual action plan and meeting calendars, meetings preparation, agenda, minutes etc…).
- Support drafting of national strategy and/or support to the implementation of roadmaps/actions.
- Support the development of awareness raising campaigns promoting citizenship engagement or to value common heritage.
- Any other support according to the specific needs of the High Committee for citizenship.
- Provide a technical and methodological assistance to the High committee to develop a dedicated strategy and its translation into a budgeted 3-year action plan.
- Develop monitoring and evaluation tools and accountability mechanisms.
- Exchanges on mutual knowledge through on-line events, and discussion groups.

Activities related to Output 3.1:

- Provide technical assistance in the form of technical advisory and training workshops in support of the ongoing policy processes (at national and sub-national level) as identified by EUD and Government counterparts and with the aim of strengthening governance capacities.
- Conduct demand driven (Government and/or EUD) analytical work (thematic evaluations or reviews, research, assessments, case studies).

- Support efficient dialogue and coordination among key stakeholders the EUD is engaged with, ranging from Government bodies, other development partners to civil society.
- Engage with the EUD around the organisation and facilitation of seminars, workshops, meetings, and conferences linked to development cooperation interventions funded by the EU in Iraq.

The commitment of the Union's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the Team Europe Initiatives and/or these contributions do not materialise, the Union action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental protection, Climate change and biodiversity

Outcomes of the Strategic Environmental Assessment (SEA) screening (relevant for budget support and strategic-level interventions).The SEA screening concluded that no further action was required.

Outcomes of the Environmental Impact Assessment (EIA) screening (relevant for projects and/or specific interventions within a project). The EIA screening classified the action as Category C (no need for further assessment).

Outcome of the Climate Risk Assessment (CRA) screening (relevant for projects and/or specific interventions within a project). The CRA screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that promoting gender equality in service provision across all priority areas is an important and deliberate objective of the action. The inclusion of women and girls will be particularly ensured in the activities of this action. Gender equality in access to finance and trainings as well as the adaptation of trainings to the needs of female beneficiaries is proactively advanced through this action. Gender analysis will be conducted when needed to guide activity implementation. The log frame features gender-disaggregated data when available and it will monitor and evaluate the results of the gender sensitive indicators, especially in the GAP III thematic areas of Promoting economic and social rights and empowering girls and women, Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation and Ensuring freedom from all forms of gender-based violence. In this sense, the Action is fully aligned with the forthcoming implementation plan for Iraq under the EU Gender Action Plan III for 2021-2027.

Human Rights

This Action is based on the implementation plan for Iraq under the EU Action Plan on Human Rights and Democracy (2021-2027), applicable human rights covenants and the international conventions such as the ILO Conventions and applicable UN frameworks. The Action takes a rights-based approach putting economic, social, civic rights at the forefront, focusing specifically on safeguarding and promoting the rights of women and children, displaced persons, minorities, persons with disabilities and workers in the informal sector and/or in informal work situations. The action will ensure that a human rights-based approach (HRBA) is followed in all phases and activities. Therefore, activities will be conducted with an HRBA that is rooted in the principles of participation and inclusion of all members of society, regardless of their specific characteristics (e.g. sex/gender, age, ethnicity, disabilities, religious or political beliefs, etc.). The HRBA will also be based

on the principles of equality and non-discrimination (including gender considerations), transparency and accountability. This will ensure that all of these aspects are appropriately taken into consideration in both the planning and implementation phases.
Likewise, the private sector will abide by the Guiding Principles on Business and Human Rights, conducting human rights due diligence, including right holders and community consultations and engagement and providing appropriate processes and mechanisms to provide remedy access if harm occurs and assure workplaces free of all forms of discrimination, violence and harassment

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the Action is not considered relevant for inclusion of persons with disabilities. However, persons living in vulnerable situations will be beneficiaries of several activities such as access to finance.

Democracy

This Action focuses on fostering an enabling environment for the private sector, thereby, strengthening the economic participation of the citizens and it encourages youth participation in the civic space. The proposed action links economic governance and investment to the rule of law and the accountability of the respective Government entities in performing their mandated tasks About sixty percent of the Iraqi population is estimated to be under 25, this Action, therefore, contributes to supporting an underrepresented part of the society.

Conflict sensitivity, peace and resilience

The Action follows a Do-No-Harm-Approach, and conflict risks are monitored closely.

Disaster risk reduction

The Action uses all opportunities to include environmental and sustainable development perspectives and climate change aspects into capacity development at the various levels of intervention

3.4. Risks and external assumptions

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1 (external environment)	Lack of confidence among young people, lack of interest	Medium	High	Encourage youth involvement in the development of the project through early consultations. Promote a peer dialogue/mobilization approach and organise consultations with existing youth-led organisations.
2 (people and the organisation)	Lack of participation from the authorities and lack of coordination	High	High	Ensure that Iraqi state institutions are involved in the development of the project and ensure their approval of the proposed intervention strategy at early stage

	among different line ministries involved in citizenship issues			
3 (people and the organisation)	Young men and women targeted by the project are intimidated by external actors affecting their participation in the project	Medium	High	Conduct in-depth risk analysis, develop targeted communication plan to limit exposure, introduce a contingency line in activities budget
4 (people and the organisation)	Political sensitivity of citizenship and national identity	High	High	The project provides purely technical and methodological support to Iraqi authorities
5 (external environment)	Security	High	High	Include security line in the budget of the action, close coordination with local authorities, limited communication and exposure of beneficiaries.
6 (external environment)	Regional Conflict	High	High	Include the preparation of contingency plans in the future contracts/description of the actions/budgets; ensure continuous monitoring of conflict drivers through regular conflict (sensitivity) assessments.

External assumptions

- Continuous good cooperation between the EU and Iraq based on the EU-Iraq Partnership and Cooperation Agreement.
- Bilateral relations and multilateral environment are conducive to regional and international cooperation.
- The operating environment will remain sufficiently stable to support the achievement of proposed targets

3.5. Intervention Logic

Results	Results chain: Main expected results [maximum 10 @]	Indicators [at least one indicator per expected result @]	Baselines (values and years)	Step/targets (values and years)	Sources of data	Assumptions
Impact 1	To contribute to addressing the current nation's challenges and paving the way for economic stability and a prosperous future for all Iraqis with both federal government institutions and regional bodies, including the Kurdistan Region of Iraq (KRI)					*Not applicable*
Outcome 1	1 Promote gender responsive, inclusive and sustainable growth and competitiveness of the private sector by improving access to finance for SMEs and enhancing their capacity to expand through business development support	1.1 Percentage increase in SMEs (disaggregated by women/youth ownership) accessing financial services (loans, grants, or other financial instruments) supported by the project.	1.1 0 1.2 0 1.3 0	1.1baseline/depending on region 1.21baseline/depending on region	1.1Project, Ministry of Trade 1.2 Project, Ministry of Trade	The operating environment will remain sufficiently stable to support the achievement of proposed targets. Government maintains commitment to private sector development and economic diversification.

	and market opportunities in an investment-friendly environment	1.2 Number and share of women-led and youth-led SMEs benefiting from business development support and accessing new market opportunities. 1.3 Volume of financing mobilised for SMEs through project-supported mechanisms				
Outcome 2	2 Safeguard Iraq's cultural heritage while creating employment opportunities, particularly for youth in heritage restoration, hospitality, sustainable tourism, and related services;	2.1 Number of cultural heritage sites restored 2.2 Number of jobs created	2.1 2.2	2.1baseline 2.2baesline	2.1 2.2	Political and security conditions remain stable enough to allow heritage preservation and tourism activities. Local communities value cultural heritage and are willing to engage in its preservation.
Outcome 3	3 Enhance the capacity and technical knowledge of Government entities and other Iraqi institutions linked to the EU Delegation's Development	3.1 Number of technical assistance missions or advisory services delivered to the Government entities and other Iraqi institutions		3.1 baseline	3.1Project data, training reports, attendance lists, certification records	Continuous good cooperation between the EU and Iraq based on the EU-Iraq Partnership and Cooperation Agreement.

	Cooperation framework.					
Output 1 related to Outcome 1	1.1Support economic diversification by developing the access to finance for small and medium-sized enterprises (SMEs) and contributing to an investment's friendly environment	1.1.1 Volume of financing mobilised for SMEs 1.1.2 Percentage increase in SME loan approvals compared to baseline 1.1.3 Number of incentives facilitating business and investment	1.1.1 Project data 1.1.2Project data	1.1.1baseline 1.1.2baseline	1.1.1Project data 1.1.2Project data	Regulatory authorities cooperate in improving business and investment framework Financial institutions are willing to expand lending to SMEs Financial products developed (loans, guarantees, grants) are affordable and appropriate for SMEs.
Output 2 related to Outcomes 1	1.2Strengthen the capacity of selected private sector companies by providing tailored business development support, access to new markets, and investment facilitation	1.2.1 % increase of entrepreneurs reporting positive change in their regular business functioning. 1.2.2	1.2.1 Project data 1.2.2 Project data	1.2.1TBD 1.2.2TBD	1.2.1 1.2.2	Public and private stakeholders cooperate in facilitating investment processes Selected companies are committed to growth and willing to adopt new business practices
Output 1 related to Outcome 2	2.1Promoted economic diversification and job creation through the restoration and rehabilitation of cultural sites, alongside with the	2.1.1Number of job created through the restoration and rehabilitation of cultural sites 2.1.2 Number of sustainable tourism products/services	2.1.1 2.1.2	2.1.1TBD 2.1.2TBD	2.1.1 2.1.2	Restored and rehabilitated sites meet quality and safety standards attractive to visitors. Tourism products and services are developed in parallel. Public and private stakeholders collaborate to support tourism value chains

	development and promotion of sustainable local and regional tourism in the selected sites.	developed and operational at rehabilitated cultural heritage site				
Output 2 related to Outcome 2	2.2 Enhanced capacities of central and local authoritiesin the restoration and management of cultural heritage sites.	2.2.1 Number of central and local authority staff trained in cultural heritage restoration and management (disaggregated by gender and institution) 2.2.2 Increase (in percentage) in capacities and skills of central and local authorities in the restoration and management of cultural heritage	2.2.1 Project data 2.2.2 (Self-) Assessments of central and local authorities' skills and capacities pre-training	2.2.1 TBD 2.2.2 TBD	2.2.1 Project data 2.2.2 Project data	Authorities are willing to adopt new restoration standards and management practices Training and technical assistance are aligned with international best practices and local needs. Authorities dedicate the required (human) resources to the project.
Output 3 related to Outcome 2	2.3 Enhanced plural and inclusive national belonging values for young Iraqis (Support to the High Committee for citizenship), especially through the promotion of Iraqi culture and heritage; and ensuring the safe and	2.3.1 Increase (in percentage) in plural and inclusive national belonging for young Iraqis 2.3.2 Increase of knowledge about Iraqi culture and heritage of young Iraqis 2.3.3. Number of women, persons with	2.3.1 Regular surveys of beneficiaries 2.3.2 Regular surveys of beneficiaries 2.3.3. Attendance sheets of	2.3.1 TBD 2.3.2 TBD 2.3.3 TBD 2.3.4 TBD	2.3.1 Project data 2.3.2 Project data 2.3.3 Project data 2.3.4 Project data	The High Committee for Citizenship is willing to work and cooperate in this sector. Young Iraqis demonstrate interest in the project and the related topics.

	accessible participation of women, persons with disabilities, minorities, displaced persons, and other vulnerable groups.	disabilities, minorities, displaced persons, and other vulnerable groups who have participated in project activities 2.3.4. Number of youth-led activities in relation to the promotion of Iraqi culture and heritage implemented	project activities 2.3.4 Project data			
Output 1 related to Outcome 3	3.1 On-demand technical assistance to Government entities and other Iraqi institutions, thematic evaluations and capacity building linked to the EU Delegation's Development Cooperation framework provided.	3.1.1 Number of reforms/policies/ document supported the implementation of the Delegation's Development Cooperation Framework. 3.1.2 Number of assignments launched with experts providing direct technical advice and assistance to Government authorities.		3.1.1 Project data 3.1.2 Project data		Continued cooperation with Iraqi authorities on sectors of joint interest. Interest from Government of Iraqi to received technical advice and assistance.

[1] Baselines and step/targets are needed to assess progress against the expect results (Outputs, Outcomes, Impacts). In some cases, there are indicators for which there is no baseline at the design stage, and in such exceptional cases the baseline and step/target can be defined during the inception phase of implementation. This happens for example when a survey is needed to define the baseline.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of entry into force of the financing agreement.
Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this financing Decision and the relevant contracts and agreements.

4.3. Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[10].

4.3.1. Direct management (Procurement)

Outcome 3 will be implemented through the modality of direct management (procurement).

4.3.2. Indirect management with an entrusted entity[11]

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: specific mandate, technical competence, experience of implementing projects in similar fields in Iraq, and operational capability including to deploy staff in Iraq.

The implementation by this entity entails the implementation of outcome 1 and 2.

4.3.3. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances

If the implementation modality under indirect management as defined in section 4.3.2 cannot be implemented due to circumstances beyond the control of the Commission, the modality of implementation by grants under direct management would be used according to the following:

(a) Purpose of the grant(s)
Outcome 2: Safeguard Iraq's cultural heritage while creating employment opportunities, particularly for youth in heritage restoration, hospitality, sustainable tourism, and related services.

[10] See EU Sanctions Map. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
[11] The signature of a contribution agreement with the chosen entity is subject to the completion of the necessary pillar assessment.

(b) Type of applicants targeted
Civil Society Organisation/Non-Governmental Organisation that have the specific mandate, technical competence, experience of implementing projects in similar fields in Iraq, and operational capability including to deploy staff in Iraq.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) of the NDICI-Global Europe Regulation).

4.5. Indicative budget

Indicative budget components	**EU contribution (amount in EUR)**
Implementation modalities – cf. section 4.3	
Outcome 1 composed of	**11 000 000**
Indirect management with an entrusted entity – cf. section 4.3.2	11 000 000
Outcome 2 composed of	**15 000 000**
Indirect management with an entrusted entity – cf. section 4.3.2	10 000 000
Indirect management with an entrusted entity – cf. section 4.3.2	5 000 000
Outcome 3 composed of	**1 000 000**
Procurement (direct management) – total envelope under section 4.3.1	1 000 000
Evaluation – cf. section 5.2 **Audit** – cf. section 5.3	will be covered by another Decision
Strategic communication and public diplomacy – cf. section 6	will be covered by another Decision
Contingencies	**N/A**
Totals	**27 000 000**

4.6. Organisational set-up and responsibilities

The action will be supported through the following organisational set-up: Each component (corresponding to specific objective 1 to 3) will have a dedicated annual project steering committee (PSC). The arrangement of the PSC will be further defined in the respective contracts. In most cases, the meetings are co-chaired by the European Commission, represented by the EU Delegation to Iraq and the Iraqi Government represented by

the lead agency. The implementing partner to be selected as indicated in section 4.3 will perform the role of secretariat, preparing the meetings, taking minutes and ensuring adequate follow-up. The Commission's responsibility further extends to supporting the implementing partner in the follow-up, as well as in steering strategic decisions that may be required to be taken during the PSC meetings, as well as at other key moments arising during the implementation period.

If required, each component will include Technical Steering Committees (TSC), which will be led by the respective implementing partner together with the relevant Government stakeholders at technical level. The European Commission, represented by the EU Delegation to Iraq, will attend meetings when required.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the log frame matrix (for project modality).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring:

- At the beginning of the implementation period, the respective project implementing partners will review each project's indicator set, ensuring alignment with the prevailing contextual conditions and any emerging challenges during implementation.
- Implementing partners will be responsible for data collection. The monitoring approach employed by the implementing partner will be further rooted in a continuous learning approach, with a strong emphasis on making necessary improvements and adaptations throughout the project lifecycle. This approach will focus on systematically collecting and analysing relevant data to assess progress towards the achievement of the project's planned outputs, outcomes and overall objective.
- National authorities involved in the implementation of the action and when possible, local communities and project participants will be involved in the monitoring of the intervention. Similarly, all monitoring and reporting efforts will evaluate how the action incorporates the principles of gender equality, a human rights-based approach and the rights of persons with disabilities, including aspects of inclusion and diversity. Indicators will be disaggregated, when feasible by sex, geographic location and income level.
- The contracting authority will be involved in following up on the analysis of regular data collection, including through reviewing the regular reporting, and engaging in formal exchanges during project steering committee meetings as well as regular informal exchanges.

- EU oversight will also ensure that there is adequate and detailed follow-up on external monitoring recommendations, either from mid-term or final evaluations as well as Results Oriented Monitoring (ROM) missions.

5.2. Evaluation

In case an evaluation is not planned, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

5.3. Audit and verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document *Communicating and raising EU visibility: Guidance for external actions* (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

For communication on Team Europe Initiatives, the EU and its Member States can rely on the specific guidance on the Team Europe visual identity.

Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress.

Identifying the level of the primary intervention will allow for:

- ✓ Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
- ✓ Articulating Actions and/or Contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
- ✓ Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

The present Action identifies as:

Action level (i.e. Budget support, Blending)		
☒	Single action	Present action: all contracts in the present action
Contract level (i.e. Grants, Contribution Agreements, any case in which foreseen individual legal commitments identified in the budget will have different log frames, even if part of the same Action Document)		
☒	Single Contract 1	
☒	Single Contract 2	Contribution agreement with pillar assessed entity
☒	Single Contract 3	Service contract following procurement