

IRAQ - Sustainable and Inclusive Socio-economic Perspectives for Iraq

#GLOBALGATEWAY

#TEAMEUROPE

TEAM EUROPE PROPOSAL

Entrepreneurship, private sector development and investment

- Women economic empowerment
- Digitalisation
- Green recovery
- Skills development (education, higher education and TVET)
- Access to finance
- Business Development
- Business incubators and accelerators
- Value chain development
- Public Private Dialogue
- Integrity of Private Sector actors

Economic governance

- Public sector reforms (social protection, labour, financial sector)
- Cross-cutting economic reform agenda
- Decent Jobs and labour governance
- Financial sector reforms
- Business and investment climate reforms
- Digital economy
- Investment enabling environment

MODALITIES/TOOLS

Collaboration and joint policy dialogue

- Joint effort EU and EU Member States
- Coordinated and joint projects

Blending operations

- INTPA
- DEVCO
- EU DFIs (AFD, KfW et al)

Loans

- EIB
- EBRD

KEY DELIVERABLES

EU- Agri-food Business Development

1. Addresses different weaknesses in the private sector and agri-food sector in a coordinated fashion (7 projects). Central to many of the projects is an agri-food value chain approach that supports stabilisation and governance, and promotes sustainable job creation.

Reviving the Spirit of Mosul and Basra

2. Contributes to economic recovery as well as to social cohesion through creation of decent jobs in the reconstruction of historical urban centres, and rehabilitation of houses, as well as support to Small and Medium Enterprises active in various sectors and the cultural and creative industries.

*This Team Europe Initiative is work in progress

TRANSFORMATIONAL POTENTIAL

Entrepreneurship, private sector development and investment

- Private sector development would allow for the creation of job opportunities in the country and the exploitation of a large consumer market.

Economic governance

- Attracting investment would foster national economic transformation

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NATIONAL CONTEXT

Fragile socio-economic system:

- Undiversified oil-dependent
- Fiscally unsustainable economy (overdeveloped public sector)
- Lack of perspectives for a growing population
- Budget's structural imbalance
- Low labour participation, high un- and under-employment
- Underdeveloped private sector
- Lack of an appropriately skilled workforce

Broken social contract

Major Fragility

- COVID-19 pandemic
- Cyclical oil price shocks
- Political instability

Adverse business enabling environment

- Dominance of failing state-owned and subsidised enterprises
- Pervasive corruption
- Poor labour standards
- Missing social and environmental safeguards

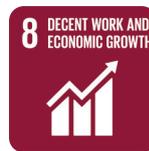
Consumer Market Insecurity:

- Under-served consumer market of 40+ million people
- Opportunities for local, regional and international investment

Government's priority: development of the private sector

- White Paper for Economic Reform
- National Development Plan (2018-2022) objectives
- SDG commitments
- Reconstruction of Iraq

GEOPOLITICAL CONTEXT AND RELEVANT SDGs



**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)