Creating sustainable employment opportunities
Economic Development and Livelihood Creation in the Kurdistan Region of Iraq

The challenge

Surrounded by political instability along its borders, Iraq is still considered a fragile state and is yet to be on track for full recovery. The main reasons behind this are the war in Syria and the terror caused by the Islamic State (IS) in Iraq, which resulted in protracted displacements, a rather low rate of returns, slow reconstruction efforts, as well as uncertainties within the actions of the newly formed government. Although the crisis seems to be past its peak and there are some promising, yet slow signs of growth, the economy is still not able to play the determining role it is expected to.

In this regard, and compared to neighbouring countries, the autonomous Kurdistan Region of Iraq (KRI) is no exception. Although the region has been experiencing more favourable economic conditions since 2003, economic hardships are increased by the presence of around 250,000 Syrian refugees, as well as around one million internally displaced persons (IDPs), which further strain the existing scarce opportunities and resources. At present, the unemployment rate in the Kurdistan region is estimated to be between 22 to 29%. Necessary investments in infrastructure are lacking and the dependence on the oil economy remains too strong for the private sector to develop. In addition to that, the public sector remains the key job provider in the region.

Our approach

The aim of the project is to enhance the creation of new jobs and livelihood opportunities for IDPs, refugees, returnees and socially deprived households in host communities within the Kurdistan Region of Iraq. Income generating activities will economically stabilise households in the long run – at the same time, new and sustainable employment opportunities will enhance and maintain perspectives for all vulnerable target groups of the project.

The project is implemented in the four governorates of Duhok, Erbil, Sulaymaniyah and Halabja and is built around three pillars.

Firstly, Cash for Work measures will create temporary employment opportunities, while at the same time providing support to public services and the rehabilitation of public infrastructure. Secondly, livelihoods are strengthened through specifically designed training measures and long-term income generating activities. Thirdly, public partners will receive custom-made training courses in order to strengthen their abilities in public service delivery and their problem-solving competence.

The project is implemented in close cooperation with the autonomous Kurdish government’s authorities and executive bodies, partly through its own initiatives and partly in cooperation with international and national Non-governmental Organizations (NGOs).

Project name: Income Generation for Internally Displaced Persons, Returnees, Refugees and Socially Vulnerable Households in Host Communities
Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region: Duhok, Erbil, Sulaymaniyah, Halabja
National Partner: Ministry of Planning, Kurdistan Region of Iraq
Duration: 11/2016 – 12/2022

Our impact: boosting income generation

Vulnerable households are supported with temporary income through Cash for Work activities. Participants are paid the equivalent to the Iraqi minimum wage and are employed for at least 40 working days. Since 2017, more than 15,000 beneficiaries have been able to earn their own direct income through Cash for Work measures. This has allowed them to improve their living conditions and to make urgently needed purchases. Apart from temporary jobs, Cash
for Work participants also receive access to general support structures for jobseekers, thus facilitating their access to the formal labor market.

Around 500 beneficiaries received Livelihood Activation Grants in combination with life skills trainings. These grants are provided to vulnerable beneficiaries who are capable of reactivating or establishing their own income generating activity, i.e. by setting up their own business. Until today, the combined measures have supported more than 250 individuals in establishing their own, ongoing income generating activities, thus enhancing their livelihood opportunities in the long term.

### Promoting long-term job opportunities

To support unemployed locals on their way to long-term employment, the project is also conducting vocational trainings, depending on the participants’ specific skills and the needs of the local labour market. More than 200 beneficiaries have already received trainings and acquired new skills i.e. in the fields of media, accounting and travel management. More than 120 of them have started apprenticeships in the private sector, aimed at boosting their chances of finding employment and building long-term prospects.

In addition to skills development and preparation for the working environment, the project is putting a special focus on business incubation initiatives, aspiring start-ups, as well as existing entrepreneurial endeavours. Business management and entrepreneurship trainings have been provided to more than 400 people.

Grants were provided to 180 promising entrepreneurs and successful businesses in order to either establish their start-up or to expand their existing business. By this means, new jobs in the private sector and therefore new employment prospects are likely to be created. Until today, more than 170 additional employment opportunities have been created by the supported businesses.

### From skills development to employment

Together with four other young men, Reyhwan Baram Mohammemed attended a practical training course at Kazhen, one of Sulaymaniyah’s main car maintenance workshops. Enthusiastically they changed tires, oil and assisted technicians in their repair work. Before the internship they attended a one-month course at the Ministry of Labour and Social Affairs to gain basic theoretical knowledge about car maintenance. The programme supports skills development and labour market access and provides participants with a daily stipend equivalent to an average prevailing wage for labourers, while the private sector company receives an incentive to cover the costs associated with the apprenticeship. Reyhwan was lucky. He convinced his prospective employer with his performance during the two-month training period and was hired by Kazhen as a full-time employee in July 2018.

Reyhwan Baram Mohammed found employment with Kazhen.