The future we want

Iraq vision for Sustainable Development
2030

2019
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Iraq vision for Sustainable Development
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Today Iraq is on the threshold of a crucial stage of its contemporary history. After defeating the terrorist groups, the dark forces and the enemies of life and progress, the Iraqi people are still keen on development, prosperity and building their country. They are hopeful for a bright future which is filled with peace, coexistence, and justice. In spite of the circumstances Iraq underwent starting from mid-2014 internally and externally including a ferocious war and a difficult economic and financial situation which aggravated the already complicated landscape, Iraqis never stopped aspiring for sustainable development, welfare, and prosperity.

Our country faced many difficult circumstances but survived and remained persistent to rise again. In this context, Iraq Vision 2030 presents a conception of a better future in which Iraq is enjoy the fruits of development without depriving the coming generations of their right to development, resources, and environment.

As evident in its ministerial statement, the Iraqi government is aspiring to build a diversified economy which is not completely dependent on oil and in which the state plays an active developmental role and the private sector leads the development process and becomes an active partner, contributing to economic growth and productivity, expanding the middle class and providing job opportunities which generate fair income for all to lead better lives.

Therefore, our aim is to focus on the principles of sustainability, justice, and good governance. The Sustainable Development Goals agreed on by the international community, act as a comprehensive framework for Iraq’s development process. Iraq’s institutions will consider this framework with all its goals, purposes, indexes as a benchmark for the development progress towards building an economy which focuses on human beings as the aim of development to ensure justice, sustainability and empowerment for all to lead decent lives in a unified country and a safe and stable society.

This vision is a roadmap and an action plan which all ministries and local governments should adhere to given their belief in the importance of strategic planning based on an aspiring vision in which all share the confidence in our ability to achieve all the programs and implement all the policies and projects to ensure the vision realization.
Speech of Prime Minister Mr. Adel Abdul Mahdi

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Mr. Adel Abdul Mahdi
Prime Minister
February 2019
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Speech of Minister of Planning Dr. Nouri Sabah Al-Dulaimi

Based on its developmental role, the Ministry of Planning continues to present development visions and plans for Iraq future during the different stages of its economic and political systems with the assistance of high professional and national expertise from inside and outside the ministry and with international support provided by international organizations which are partners in the development process by virtue of the technical and logistic support they provide especially in the statistics process and provision of up to date data and indexes.

The Iraq Vision 2030 is the result of the joint efforts of our national experts. It comes while our country and people experience difficult circumstances. Nevertheless, we did not lose hope and aspiration for a better future. The MoP is determined to provide consultations and visions to the government to enhance sustainable development and link and integrate the efforts of ministries and governorates to implement the vision’s priorities, aspirations and its goal: “Empowered Iraqis in a safe country and unified society with a diversified economy, sustainable environment, justice and good governance.”

To start the construction and building efforts, the vision identified the challenges Iraq is facing. One of them is the high population growth which affected the rates of poverty, deprivation, unemployment and indecent work. Social disparity and exclusion increased after 2014 with terrorist groups taking control of third of Iraq’s lands which, in turn, caused additional problems including displacement, forced emigration and child labor. The population growth caused an over urbanization issue which put pressure on the public services. The corruption and inefficiency of the governmental institutions are another challenges which entails innovative solutions as they impede the local and foreign investment and create a disadvantageous environment for the private sector. This internal conditions coincided with plummeting oil prices which caused Iraq to lose a significant and vital part of its financial capacities. To overcome these challenges, the vision identified five priorities with quantitative, measurable and implementable goals: build man, good governance, diversified economy, safe society, and sustainable environment. In addition, specific implementation mechanisms were identified.

Dr. Nouri Sabah Al-Dulaimi

Minister of Planning

February 2019
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Speech of Chairman of Vision Development Technical Committee

Iraq seeks to preserve its cultural significance and keep up the world’s progress through hard work to build a better future. The Sustainable Development Goals 2030 is the starting point of the Iraq vision implementation.

All of that requires real efforts to achieve Iraq’s dream in restoring its great history. The vision was developed by experts to do just that.

The previous initial stages included discussions to agree on the key ideas and principles of the Iraqi identity. Finally, I am grateful for all those who took part in developing this vision including national staff and international organizations particularly the UNDP. Thanks are also due to Dr. Sundus Abbas, World Bank/Iraq Office Team, the ministry’s staff, and national experts. I would also like to thank Dr. Hasan Latif Kazem (University of Kufa), Dr. Adnan Yasin (University of Baghdad) Dr. Wafaa Ja’far Al-Mahdawi (Al-Nahrain University) who wrote the vision’s final draft and all those who provided data and administrative and technical support.

Dr. Maher Hammad Johan

Technical Undersecretary of Ministry of Planning
The Iraqi people are determined to advance in the sustainable development road assisted by our cultural and intellectual heritage and mission. We instill the love of our homeland in our hearts to live in peace, security, safety, and dignity. We join forces to build our country and civil institutions based on social justice, rule of law and law enforcement without discrimination. All people have the right to development and prosperity. **Iraq Vision: 2030**

**Empowered Iraqis in a safe country, a unified society with diversified economy, sustainable environment, justice, and good governance**

The vision embraces a new social contract between the state and its citizens to enhance their trust in the government and provide opportunities for self-development, work and generating income. The state seeks to develop the economic activities and pave the way of reforms which tackle the past challenges and provide the needed development strategies in light of the external and internal challenges and the national capacities particularly a diverse people, natural resources and a strategic location.
Our Road

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Iraq Vision: 2030

“Empowered Iraqis in a safe country, a unified society with diversified economy, sustainable environment, justice, and good governance”

The vision embraces a new social contract between the state and its citizens to enhance their trust in the government and provide opportunities for self-development, work and generating income. The state seeks to develop the economic activities and pave the way of reforms which tackle the past challenges and provide the needed development strategies in light of the external and internal challenges and the national capacities particularly a diverse people, natural resources and a strategic location.
Thus, this vision is based on the sustainable development dimensions which meet our aspirations for empowered Iraqis in a safe and unified country, a society in which all have equal rights, an economic system with diversified social market orientation and stable macroeconomic indexes and creating a clean, safe and sustainable environment for the current and future generations. The aim is to achieve a sustainable improvement in the quality of people’s lives, ensure the sustainability of the production and consumption patterns, reduce the repercussions of pollution and climate change and enhance biodiversity protection through governmental institutions which guarantee the respect of political, civil and human rights of people to meet the desired results and achieve equality for all citizens.

1. Introduction

Iraq is in a critical stage of building and strengthening the state after defeating the terrorist groups and restoration the social peace thanks to international support. The facts on the ground show that the current circumstances provide an unprecedented historic opportunity to bring about the desired change. This is stressed by the Iraqis’ aspiration for a bright and prosperous future. This vision acts as a road map to achieve that.

Over the last four decades, Iraq faced huge challenges which undermined its infrastructure, resources, and institutions and spread violence, wars and poverty, caused instability, weak governance, chronic fragility and undermined many of the societal peace foundations. The country’s situation aggravated with the rising corruption levels, economic mismanagement and lack of a strategic direction in the development and reconstruction process.

Iraqis will be empowered in a safe country which enjoys a diversified economy, sustainable environment, justice, and good governance.

The Iraq Vision 2030 acts a road map to achieve the future development the Iraqis aspire to. Iraq’s cultural depth enables it to be proud, continue working on achieving the goals and aspirations of its people and keep up with the global movement in the sustainable development fields through its governmental plans and programs, sector strategies and national sustainable human development reports to mobilize its resources optimally to respond to the aspirations of all people in achieving development and a better future for the coming generations.

This vision aims to usher in an ambitious development process to build a developed and prosperous country, benefiting from the Iraqi economy’s competitive capacities and features and achieve a balanced development and the social justice goals and end disparity between social classes and among governorates and regions so that all society’s fragile and marginalized categories benefit from the development of fruits.
We are aspiring to make a development success story supported by a national will and the political support provided to the Iraq vision. It will act as the development framework under which national medium-term development plans will be launched and the government programs, with their goals and priorities, will integrate with. The aim is to enhance the values of sustainability and the investors’ trust in the Iraqi economy and the private sector’s role as a strategic partner in managing development and achieving its goals and stimulator of growth, prosperity and environment protection.

The Iraq Vision involves five sections which express Iraq’s national goals (man building, good governance, a diversified economy, safe society, and sustainable environment) and meet the UN sustainable development pillars: people, prosperity, planet earth, peace and partnerships.

Hopefully, all of this will be achieved as a result of monitoring, evaluation, accountability, transparency of all efforts. The youth and women will play an effective role as part of their collective participation. At the same time, this sends a strong message to all citizens and the world that Iraq is finished with wars, conflicts, sanctions, terrorist groups and is ready to start a new phase of development, building, construction and alleviation of poverty and unemployment, a stage in which the interest of the country and its citizens are prioritized in partnership with all parties and societal and political administration.

2. Our Future

Today, construction and development are prioritized which requires a systematic evaluation of the past and a conscious reading of the current situation and a careful diagnosis of its problems to make the future we aspire to through enhancing our ability to face challenges and keep up with the international developments and the compliance towards the UN Sustainable Development Plan and the philosophy behind its adoption by all the world leaders. At the same time, the state has shown a great capacity to organize homogeneously and effectively to face the major challenges. One prominent example is liberating the governorates from the terrorist groups. By doing so, Iraqis defended the values of rightness, peace, and freedom on behalf of the whole world. However, these aspirations cannot start unless Iraqis agree on the priorities of the next stage and clearly identify the problems, challenges and appropriate solutions for them.

The first stage requires focusing on a series of steps including benefiting from defeating terrorism and finding a joined way to achieve stability and the common goals. No external effort, assistance or consultation can handle the sheer volume of structural challenges unless the Iraqi leaders take responsibility for developing their country. It is important that all Iraqis understand that they alone are responsible for making policies and building leadership and institutions which can guarantee the success of their development efforts in Iraq.
2.1 Foundations

The vision is based on the following foundations:

- **Growth** through combining the sustainable development dimensions which include social integration, economic development, environmental sustainability with good governance on the national and local levels.
- **Empowerment** and investment in human and social capital.
- **Justice and fairness** in distributing resources and development revenues.
- **Good governance**, rule of law, transparency, and enhancement of effective and accountable institutions.
- **Compatibility** between the national development efforts and the local development priorities to achieve the sustainable development plan 2030.
- A **diversified economy** which enhances assets and is capable of generating decent and protected job opportunities.
- National and international **partnerships** among the government, the private sector, NGOs, universities, the media, other governments, international organizations to achieve benefits and meet the development goals.
- **Build societal peace** and ensure the inclusion of all in the development process.
- Environmental **sustainability** which enhances a green economy.

2.2 Vision Development

As one of its goals, the MoP seeks to achieve economic and social development and optimal use of capacities and financial and human capabilities through proposing and developing general policies, working on administrative development operations and preparing statistics. The MoP is looking forward to playing a vital role in implementing Iraq Vision 2030 and ensure the compatibility of the national and local plans and those of the ministries and authorities with the vision’s goals and orientations.

Building a long-term future vision requires analyzing the nature of the structural challenges and how they interact with each other and focusing on the aspects of stability and Iraq’s influence on the international level. Building Iraq Vision 2030 passed through four stages:

- **The National Commitment Phase: “Walking on Two Feet: Liberation and Development”**. This stage started the sustainable development process during the liberation operations. Despite the ferocious war and its huge number of victims, the Iraqis announced their adherence to the UN Sustainable Development Goals. The initial preparations started to achieve these goals and identify the range of responsibilities to be adopted by the respected Council of Ministers. The MoP played a leading role in mobilizing this compliance and stressed it in its plans and strategies.
The Initial Preparation Stage: “The Future We Aspire To”. During this stage, the Council of Ministers issued decision No.19 to form a unit to monitor the implementation of the Sustainable Development Goals. During this stage, many meetings were held among government officials, NGOs, and academic experts to develop this vision. The first workshop was held under the title “Good Governance and Sustainable Development Goals” on January 31-February 6 2016 supported by the United Nations Economic and Social Commission for West Asia (ESCOWA) and with the participation of the ministries of planning, municipalities, industry, education and higher education and transport. Some of them were extensive and comprehensive including the conference held by the MoP on November 24, 2016, and attended by 350 participants and under the title “Future We Aspire To” to translate the national aspiration into a better future despite the ferocious war.

The Partnership Building Stage: “Together for Achieving Sustainable Development”. A number of local and international partners took part to implement the vision on the ground through lengthy discussions and analyses. They were keen on participating in the activities and events which were held in Baghdad and Erbil on all partnership levels. The MoP represented Iraq in all the international conferences on sustainable development and presented updates on Iraq Vision 2030. The national committee coordinated with the related entities within and outside the ministry to attend these conferences based on their specialties. The Iraqi delegation participated in the senior political forum held in New York in July 2017 and presented a report on the Sustainable Development Framework in Iraq.

The Vision Alignment Stage: “Achievement through Localization and Alignment”. In this stage, practical steps were taken to draft the vision, produce its national document and present it to the partners to collect their feedback, particularly the World Bank experts, the national partners and the ministries which provided their feedback on the initial draft and enriched it with remarks and appropriate amendments. This stage was concluded by registering Iraq among the countries which will present its voluntary report at the High-Level Political Forum on Sustainable Development in 2019.

The Iraq Vision presents a set of national priorities which form the ultimate development efforts. It sets goals to achieve these priorities as general steps for changing our future and starts from focusing on man as the maker and aim of this desired change. Thus, this vision acts as a road map for implementing Iraq’s development goals over the next 12 years. Specific indicators were adopted to assess the goals implementation. They form standards for measuring the success and performance of development in Iraq.
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2.3 Our Strengths

Despite the major external challenges and its various internal problems, Iraq proved its ability to survive due to its inherent strengths:

- A societal will to change and reform enhanced by a strong system of values and a cultural heritage.
- A national will to progress based on the citizenship principle.
- An institutional dedication to development despite insecurity, instability, and violence highlighted by announcing a collection of national documents which respond to the sustainable development track and aspire to a better future.
- The abundance of the production elements, resources especially the human ones enjoy high capacities and capabilities.
- Investment opportunities with comparative advantages in sectoral and geographic development.

3. National Priorities

The public policy instructions, which are considered a national priority, include the indispensable short-term interventions to signal tangible changes and build trust in the future governmental measures and the long-term reforms needed to achieve the Iraq Vision 2030. These priorities aim to:

- Invest in the human capital and stop wasting it and benefit from the demographic dividend phase which Iraq is undergoing.
- Ensure the national priorities implementation through good governance to guarantee the trust of citizens and the international community and provide the public services in a comprehensive, transparent and accountable way including the management of natural resources (oil, gas, water, and fertile lands) and using them in a sustainable and effective way.
- Activate the private sector and form partnerships to create most of the job opportunities in the future to help end the reliance on the oil and gas sector whose future seems increasingly unpredictable in light of the challenges the world and the region are facing.
- Fair and just distribution of wealth, provide job opportunities for all and ensure public policies are just and fair for the most vulnerable and marginalized including poor people, women, children, the elderly and people with disabilities and special needs. Development shall be inclusive for all Iraqi people to have a positive and dynamic impact on the economic growth and societal peace in the long term.
- Ration and reduce the environmental resources depletion to secure the future generations’ right to clean environment.

The Iraq Vision 2030 identified five national priorities: Man building, good governance, a diversified economy, safe society, and a sustainable environment:
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3.1 Man Building

The first priority for development is to put people at its center and make them identify and guide its directions to achieve welfare, security and people aspirations. The importance of man building stems from the damage Iraqis underwent as a result of decades of despotism, war, different forms of violence and insecurity. A young population pyramid is Iraq’s strongest asset and real wealth which can face all forms of future challenges. This goal covers people’s lives, roles, and social functions and expresses the values of freedom, justice, fairness and future aspirations. The man building concept includes material and non-material empowerment elements. It covers education, learning, health, income-generation opportunities and ending poverty, threats and insecurity. The aim is to ensure that all people benefit from the sustainable development fruits through enabling them to enjoy these benefits and enhance their skills, knowledge, living standards and health situation and encourage the most vulnerable categories to integrate effectively into society particularly young men and women. Those should be prepared for the future. More women should be empowered and encouraged to enter the labor market, generate income and diversify the income sources of their families.

In 2015, Iraq ranked 121 out of 188 countries in the Human Development Index, lower than neighboring countries including Lebanon (76), Jordan (86) and Tunisia (97). The decades of war, international sanctions, violence, political instability, and financial pressures undermined Iraq’s ability to provide health services and the maternal and children health indicators in Iraq did not meet the Millennium Development Goals. Malnutrition in Iraq is a
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significant public health challenge as one out of four children under five suffers from stunted growth.

The population dynamics will have a critical impact on the future development indicators. Iraq has one of the largest youth population groups in the world with those under 19 years old accounting for about 50% of the population. The adult population will increase from 22 to 23 million by 2030.

Figure (1): Iraq’s Population Pyramid in 2015.

[Graph showing population distribution by age and gender]

Source: The Republic of Iraq, Ministry of Planning, Central Statistical Organization, Multiple Indicator Cluster Survey Data in 2018

This will put more pressures on the economic resources which are already scarcer including food, water, urban infrastructure, and public services. It is expected that 5-7 million additional job opportunities will be needed. This figure can be higher if the rates of participation in the labor force increased especially among women.
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Figure (2): Iraq’s Population 1980-2030.


The data estimates in 2020-2030

Goal (1-1): Alleviate poverty

This goal goes with the first goal of the international sustainable development plan. Eradicating poverty requires joining the efforts of the different governmental and non-governmental agencies particularly under the poverty alleviation strategies and following up their activities to ensure appropriate application and achievement the intended results.

Iraq suffers from high poverty rates (measured by spending). In 2018, 20% of Iraqis were poor. Many people live near the poverty line, making them more vulnerable in economic and political crises or when unexpected family accidents happen. Poverty is not limited to spending or income. It is multi-dimensional. It negatively impacts healthcare, living standards and education and causes unemployment.

Target-Achieving Tools:

- Implement the goals of the poverty alleviation strategy and activities (2018-2022), accelerate their implementation and support them by a new strategy to cover the remaining period to ensure achieving the goal after the period of the first strategy ends.
- Support the Social Fund for Development and activate its activities.
- Expand small and micro-enterprises.
- Enhance the rehabilitation and training programs to empower the poor and make them productive.
- Develop the social protection and security system.
Goal (1-2): Create decent and protected job opportunities for all unemployed people.

The employment levels in Iraq are among the least in the region. In 2012, 89% of females and 30% of males in the working age were out of the workforce. The economic activity rate in the workforce is 43.8% in 2017. Iraq faces an unprecedented shortage of job opportunities which might lead to the return of violence in light of the absence of reliable and quick commitment to creating job opportunities and reconstruction. The unemployment rates are also high with 16% (2.5 million) and 27% of women particularly among those with high education levels who participate in the official labor market. In addition, a high percentage of displaced people are unemployed. It might take an entire generation or more to generate sufficient job opportunities. Bridging the gap between supply and demand on jobs requires creating a private sector with added value and high productivity and which can employ huge numbers of job seekers and unify labor standards in the private and public sectors. Unfortunately, this kind of private sector is not available currently and the public sector acts as the first and last resort for job seekers. It provides 40% of all job opportunities and almost all the job opportunities in the official sector. Most of the young people prefer to land a job in the public sector instead of looking for jobs in the private sector or considering entrepreneurship. This preference is growing in light of the lack of labor protection in the private sector.

What is most dangerous in unemployment is that it is concentrated among young people, impeding benefiting from their capacities in light of an economy which is unable to provide job opportunities for the growing number of university graduates whose unemployment rate reaches 35%.

Developing the labor market requires conducting regular assessments of the labor market actual needs in consultation with stakeholders particularly the employers. The labor market should be restructured to bring about the required transformations from a labor
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market which is controlled by the public sector to a competitive one in which the state and private sector cooperate based on an appropriate application of labor laws.

Agriculture, including the agricultural businesses and services, will provide most of the future job opportunities. These sectors will require a more sustainable use and better management of water and agricultural resources and investments in infrastructure including logistics and transport. In light of the absence of these incentives, the government can start stimulating the private sector and generating job opportunities through public-sector activities and reconstruction.

**Target-Achieving Tools:**

- Adopt an economic policy which encourages generating job opportunities.
- Link the education outputs with the labor market needs.
- Eradicate child labor.
- Provide incentives to recruit local labor.
- Develop the labor-intensive economic sectors particularly agriculture and construction.

**Goal (1-3): High quality and inclusive education system.**

It is extremely important to transform the loss in human capital over the last three decades to development benefits and prevent wasting another generation. With the growing interest in education over the last decades, some progress was made in the enrollment rates in primary education and the equal enrollment rates between males and females. For example, the number of children who receive primary education rose from 3.6 million in 2005 to more than 6 million in 2015. This increase in all education levels was due to the increase in the enrollment rates of females. In general, enrollment rose to 9.2 million students in the school year 2015-2016. At the same time, the collapse of the education
system, the loss of job opportunities due to three decades of conflict and sanctions and the government’s poor capacities led to the loss of skills and human capital in the current generation of Iraqis in the working age (about 22 million). Currently, a quarter of women and sixth of men aged 25 years old and above did not receive any formal education. The unemployment rate in Iraq is 16% and reaches 65% among young women.

However, the net enrollment rates in all education stages reveal another issue. The enrollment rates decrease with the progress of education stages. According to the data of 2017-2018, the enrollment rate in primary education reached 94% and 28% in the intermediate stage. This means that many young men and women do not receive appropriate education and do not complete their education to reach university education (see the following figure).

![Figure (3): Net enrollment rates in all school stages 2017-2018 (%).](source)

The conflict with terrorist groups and the oil shock had a devastating impact on educational services. Based on the Ministry of Education’s data, about 50% of Iraq’s school buildings need rehabilitation and reconstruction. Currently, two or three entities use the same school buildings. These circumstances, which were aggravated in the areas affected by the conflict, led to depriving more than a million children at school age of education. Despite the improvement in enrollment rates, those of females are still low especially in secondary and university education and in the rural areas where dropping out rates are high.
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The education sector is still facing huge challenges in terms of quantity and quality. The various changes, the high population growth, and insecurity led to decreasing the teaching time to four hours i.e. one hour less than the normal daily average. The number of school days per year is 151, 29 days less than the OECD average. The quality of teaching and teachers need huge improvements. Students lag behind in reading skills and maths in comparison with regional and international standards.

Exploiting this demographic transformation successfully requires more investments in education, skills, and improvements in the business environment and better management of natural resources (including agricultural lands and water). This might yield an effective power to stimulate the growth of a sustainable economy and enhance the middle class, which has a good purchasing power, to boost a wider social and political harmony.

There is a need for many urgent procedures to improve the education services provision, enhance the institutional and governance capacities, increase the employees’ access to training especially those who are active in the labor market, support the human capital which boosts the economy and its growth, support productivity, prepare young people to enter the local and international labor markets and double women’s economic participation. This requires improving the labor market efficiency and adopting policies which can respond to the new economic situation and facilitate businesses and investments to stimulate growth and provide job opportunities. These interventions can be implemented quickly by using limited available financial resources. The material infrastructure should also be developed and the quality of services provided the most vulnerable people should be improved while focusing on the community-supported development approach.

**Target-Achieving Tools:**

**On the short term:**

- Create a better education environment, furniture, and materials and identify the schools which require reconstruction.
- Provide more options to ensure providing services to the children affected by the conflict especially alternative flexible education options for refugees and displaced people in terms of enrollment and examination procedures.
- Coordinate with the healthcare sector to ensure providing school nutrition programs.

The medium-term interventions should focus on early childhood education in kindergartens and primary education, enhancing skills, technical and vocational education, and training and higher education including teacher training. The higher education opportunities should meet the economic sectors’ expected demand on jobs including in construction, agriculture, tourism, and business skills.
The long-term priorities of the education sector:

- Improve access to better education.
- Enhance the quality of education and higher education institutions.
- Use education as a tool to ensure social cohesion and build peace and active civil awareness.
- Enhance the institutional framework and governance in this sector.
- Review curricula carefully to ensure the early childhood students acquire the needed skills including creative critical thinking, entrepreneurship, problem-solving, better communication, perseverance, and flexibility.
- Adopt national standards of education quality.
- Apply compulsory education until the intermediate stage.
- Enhance the opportunities of education and lifelong learning.
- Establish more vocational schools and institutes to meet the labor market needs.

Goal (1-4): Efficient and inclusive healthcare system.

Iraq’s health sector is largely dependent on the government (63%). It is mostly managed and financed by the Ministry of Health (73%). However, government spending on the health sector has been decreasing over the last few years. The public spending on health amounts to 5.5% of the GDP, less than its counterpart in the region (Jordan 7.5%, Lebanon 6.4%, and Tunisia 7.0%) and much lower than the OECD average (8.9%). The households’ spending on public health and medicines rose from 25.2% in 2008 to 39.7% in 2014, exceeding the international average. It represents a growing burden on families.

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Tackling Iraq’s health challenges effectively requires striking a balance between the population’s immediate need for health services and the medium and long-term goals to enhance the institutional and regulative capacities to ensure a strategic orientation in adopting and implementing health policies. This involves guaranteeing a just health coverage especially for the poor, forming partnerships between the public and private sectors, designing mechanisms to control healthcare costs, getting better services compared with the public spending on health and adopting transparent and effective management and accountability mechanisms.

Target-Achieving Tools:

- On the short term, the government should provide subsidized and comprehensive health services to the poor. To adopt effective financing policies to support the poor, the program can benefit from the current applied approaches targeting Iraq’s poor to adopt a mechanism for providing effective subsidized coverage. The applied policies should focus on prevention, testing, and treatment especially on the primary health care level including preventing NCDs.
- On the medium term, the government focus on improving efficiency, access, and the governance framework. This requires:
  - Review public spending on health to identify defects, propose policy options to improve the old system of healthcare provision, its quality, and public spending efficiency.
  - Transform the current healthcare model which focuses on providing services at hospitals to a primary healthcare model with cost-effective solutions.
  - Involve citizens to ensure the health sector responds to their needs.
- On the long-term:
  - Adopt health insurance policies to improve financial protection.
  - Involve the private sector by adopting a strong regulatory framework.
  - Expand the coverage of health services and improve their quality.
  - Implement the health insurance system and provide its mechanisms.
  - Improve and develop the health prevention system on the local and national levels.
  - Adopt a strict health monitoring system to reduce the spread of drugs, AIDS and other diseases.
  - Improve the performance of health institutions and enhance their financing capacities.
(1-5): Provide decent housing and end informal settlements.

In addition to the population growth in the rural areas, the growing urbanization in Iraq can also be ascribed to neglecting the rural areas, lack of economic activities in the countryside except for agriculture and its supporting activities, the growing inclination of the rural areas population to enjoy the financial independence and life joys offered in the cities. It seems that Baghdad, with an estimated population of eight million, attracts most of those leaving the rural areas. This means, according to the latest estimates, that Baghdad alone includes more than 23% of Iraq’s population, exceeding its share compared with the total population of the major urban centers which include a large percentage of the population which exceed half of the country’s population.

Urbanization in Iraq included massive population movements in which people conveyed their conventions and traditions to already established settlements which were not ready to host them. However, the push factors were strong in the areas they came from compared with the city temptations (job opportunities, better housing/better relationships) which they were not always able to get. On the other hand, the population emigration led to the emergence of informal settlements on the cities’ outskirts. In addition, the internal areas, whose population left for the suburbs, became underdeveloped. In Iraq, there are 3,687 informal housing complexes including 1022 in Baghdad, 677 in Basra, 333 in Dhi Qar and 279 in Kirkuk.

Housing is one of the key services which the government is responsible for providing due to its impact and relationship with the other life aspects. The housing policy should guarantee to provide decent and appropriate houses to all social classes.

On the other hand, the housing programs and initiatives have an impact on the economy and the financial situation of families especially the urban ones and affect the construction industry and its ability to stimulate the economy and reduce unemployment. The other policies including those on taxes, aid and support contribute to the success of housing policies. The significance of this sector in Iraq is increasing due to the acute shortage of appropriate housing units. This led the state to launch the National Housing
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Initiative to reduce the effects of informal housing. It is one of the policies which build social security for all population.

**Target-Achieving Tools**

**On the short long:**

- Resume the suspended projects and overcome any difficulties in this regard.
- Stress the compliance with the main urban plans and end transgressions.

**On the medium and long term:**

- Build no less than 100,000 housing units based on modern methods and techniques with good services.
- Provide 50% of the real estate financing from private-sector investments to eliminate the housing deficit.
- Improve the housing environment by improving the quality of municipal services and providing drinking water and sanitation.
- End informal housing settlements, improve their infrastructure, re-organize them and integrate them into the cities’ urban fabric.
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3.2 Good Governance

The Iraq Vision 2030 aims to build effective administrative institutions which respect the political, civil and human rights and guarantee justice and equality of all people before the law. The sustainable development goals cannot be achieved under corruption, marginalization, injustice. These issues have major implications on Iraq in all fields especially after decades on an autocratic rule, wars, political instability, and internal conflicts.

The Iraq Vision 2030 seeks to achieve good governance, tackle the country’s deteriorated governance indicators, especially those related to corruption and the fragile country to ensure the provision of public services in a comprehensive, transparent and accountable way. Good governance will strengthen the state relationship with all citizens and between the central government and the local ones, enable progress towards the vision’s aspirations through improving the government institutions efficiency, provide some basic services via the private sector, enhance the legislative and legal frameworks and review them regularly.

To achieve Iraq Vision 2030, the government should redefine its role. This requires reducing its administrative and economic role in the production sectors, creating the necessary enabling environment and providing the foundations, infrastructure, justice, security, and public services to citizens to benefit from the competitive labor market led by the private sector.

Active administrative institutions which ensure the respect of political, civil and human rights, justice and equality of all citizen before the law

Goal (4-1): Enhance the culture of tolerance, dialogue and community peace
Goal (4-2): Appropriate development of families, women and vulnerable categories
Goal (4-3): Enhance the values of citizenship and reduce the aspects of inequality
Goal (4-4): Establish the values of achievement, initiative and voluntary work
Goal (4-5): Sustainable solutions for displacement and internal and external emigrations
National Goals:

Goal (2-1): Uphold rule of law, access to justice and enhance the good governance foundations.

Despite the efforts made to achieve good governance, build the state of institutions, improve public administration and fight corruption, Iraq is still facing serious challenges related to corruption and the low efficiency of public institutions. In the Open Budget Survey 2015 conducted by the International Open Budget, Iraq only scored 3 out of 100 points. It is in the group which does not meet the transparent budget requirements. It is way below the international average (45 points). According to the survey, the countries which scored less than 61 points did not present their budgets to the public sufficiently.

The full rule of law ensures a prosperous economy and social and political activities and increase their efficiency and effectiveness. The legislative and legal environment and the capacities of law enforcement especially those related to ownership rights, taxation, and fighting corruption still form serious obstacles which disrupt the flow of local and foreign investments as investors do not trust the investment environment despite the generous incentives provided by the investment law.

To develop and build an Iraqi economy which is able to keep up with an ever-changing international economy, the legal protection of real estate and intellectual property of local and foreign investments should be enhanced and tangible progress should be made in protecting patents and intellectual assets.

To improve the business environment and support the private sector, the following steps should be taken: conduct a comprehensive review of judicial procedures, their suitability for business and investment environment and the mechanisms of supporting contract implementation and resolving all kinds of disputes, accelerate legal procedures, increase the efficiency of the judicial system and its independence, improve the administrative aspects and accelerate issuing and implementing verdicts.

Target-Achieving Tools:

- The applicable legislation and laws shall act as the main regulator and reference for state affairs management.
- Regulate the relationship between state components and society based on the principle of equality and equal opportunities.
- Build the capacities of institutions responsible for human rights protection.
- Provide an environment which guarantees a just, independent and unbiased judiciary system.
Goal (2-1): Uphold rule of law, access to justice and enhance the good governance foundations.

**Current situation indicators**
- Iraq ranking in the government effectiveness index (2014)= 180
- Iraq ranking in the institutional quality index (2015)= 179

**Target-Achieving Tools**
- The applicable legislations and laws shall act as the main regulator and sole reference point for state affairs management.
- Regulate the relationship between the state components and society based on the principle of equality and equal opportunities.
- Increase administrative decentralization in the governorates.
- Build the capacities of the institutions responsible for human rights protection.
- Create an environment which guarantees just, independent and unbiased judiciary system.

**Goal indicators**
- Iraq ranking in the government effectiveness index less than 100
- Iraq ranking in the institutional quality index less than 100

Goal (2-2): Improve administrative decentralization and public participation in decision-making.

For Iraqis, governance is connected with the central government and its institutions. Decades of autocratic rule and the political circumstances the country underwent increased power centralization in the public administration and the marginalization of local administrations. In the context of political change, locally and internationally, a new conviction was established that administrative decentralization ensures performing functions effectively and responding to the new developments. Centralization prevents creating an economic environment which is capable of achieving sustainable development and imposes serious challenges on the government in dividing tasks and responsibilities onto the local administrations and the private sector (1).

Decentralization prevents many of the bureaucratic and administrative pressures the central authorities put on the local ones. This requires providing those local administrations and municipalities with proper powers and giving local administrations the freedom to manage their financial and human resources to be able to implement their work programs. Decentralization is a key factor in Iraq Vision (2030) as it is related to identifying priorities, investments, and production.

In line with the will to reform the local administrative structures, today Iraq is in the process of adopting decentralization models on all governance levels to improve the quality of services, increase their efficiency and deepen and strengthen democracy foundations. Effective mechanisms should be adopted to coordinate between the federal government and the local ones, align the legislation mechanisms on the local and federal levels, come up with sustainable methods to provide resources to the local governments from outside the public budget. This would increase the effectiveness of local governments, enhance their capacities to achieve sustainable development, improve the efficiency of businesses and enhance the trust in local and federal governments.

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1 Bayt Alhikma et al, Support Decentralization and Local Governance to Help Service Delivery in Iraq
Target-Achieving Tools:

- Enhance administrative and financial decentralization.
- Enhance participatory planning.
- Increase the public participation to include all the sustainable development parties (the state, the private sector, the civil society and the active players in society).
- Implement programs to enhance the culture of decentralization and participation in decision-making.

Goal (2-3): Integrity, transparency, and fighting corruption.

Fighting corruption should be part of a comprehensive process to reform the state apparatuses and the civil society structures and institutions and increase the transparency of the Iraqi economy. In this context, the experiences of other countries should be benefited from in fighting corruption, ensuring transparency in the public sector and the macroeconomic policies, preparing well-informed and practical proposals for economic reforms in the public decisions and convincing the government of the need and benefits of fighting corruption.

Based on the reports of Transparency International in the period 2003-2018, Iraq was among the highest countries in corruption cases with similar corruption indexes. With 2.2 points in the Corruption Perceptions Index, Iraq is very close to the world’s most corrupted countries which confirm high rates of financial and administrative corruption.

Corruption and poor governance indicators have badly affected the civil service’s administrative capacities due to favoritism in recruitment, undermined the public institutions and services and ultimately derailed the development of a competitive private sector. Recruiting unqualified employees due to nepotism had a negative impact on the technical capacities and discipline in the civil service, increased spending on wages and...
salaries which affected the funding of public services and increased costs with low direct and indirect revenues.

In this context, NGOs play an important role in fighting corruption. Access to the data on corruption should be facilitated by using mass media, cooperation between the CSOs and the private sector to launch anti-corruption campaigns and activating the religious institutions’ role in this regard.

**Target-Achieving Tools:**

**Employment in the public sector shall depend on:**

-Appointing employees based on their qualifications rather than favoritism.
-Selecting employees based on the actual needs and the structure of tasks performed by employees and their job descriptions.

On the medium term, the government should develop the Law of the Federal Civil Service, implement the civil service reforms and develop the laws, instructions, and regulations on employment and promotions. This might contribute to reducing public spending on salaries and wages through:

-Adopt clear mechanisms for regular revision of redundant labor force in governmental institutions.
-Enhance the more regular employment mechanisms in the public service and improve the performance of underperformers.
-Provide reformers with a stronger legal platform and tools to stop administrative corruption.

On the long term:

Finish reforming the civil service, adopt competence-based employment policies, implement reforms targeting the most skilled workforce, reform the social security scheme for the private sector workers and expand the range of its beneficiaries. The ultimate aim of the Civil Service Reform Strategy based on Iraq Vision 2030 is not only to professionalize the public bureaucracy but also reduce the incentives to work in the public and private sectors at the same time and facilitate flexible movement of workers between these two sectors.

-Activate the anti-corruption laws and legislation.
-Activate the accountability of all officials and prosecuting them in corruption cases.
-Enhance the monitoring authorities’ capacities to detect the different forms of corruption.
-Combat money laundry.
-Reform the public service system and improve the performance of the governmental institutions.
Goal (2-4): Reform public financial administration and achieve financial sustainability.

Effective management of public finances is a key pillar of economic governance and a tool to guarantee the state’s performance, legitimacy, and accountability. In 2016, an up-to-date comprehensive assessment of the public financial management in Iraq was conducted using public spending and financial accountability approach. Iraq got D which is the lowest possible mark for a large number of performance indicators. The government and public institutions still do not disclose how finances and public procurement are managed. One of the key challenges for the government is to monitor spending throughout the public budget’s different stages. The specialized ministries and their institutions often lack reliable data on the availability of funds and are not able to connect them with expenses in a timely manner. As the public treasury function lacks effectiveness, cash management is poor and in most of the cases, the government is not able to provide sufficient liquidity to pay back its due financial obligations.

Enhancing financial management is crucial to rebuilding the state legitimacy and ensuring the accountability and efficiency of public resources management. A poor financial management system would increase the risks of wasting public finances and corruption. The strategy for financial management should take four initial considerations into account:

- The public financial management system should meet the financial compliance and control requirements. Otherwise, it would be difficult to direct government spending based on political agreements.
- Certain processes are needed to guarantee financial compliance which requires planning the public budget for many years rather than one year to ensure stability.
- The system should be able to support implementing the agreed sector policies by providing services efficiently and effectively.
- The system should also implement accountability and transparency principles.
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3. The system should be able to support implementing the agreed sector policies by providing services efficiently and effectively.
4. The system should also implement accountability and transparency principles.

Target-Achieving Tools:

- Invest the annual surpluses in a sovereign fund to stabilize the oil revenues and reduce reliance on them.
- Increase the share of public investment expenditure in the public budget, increase the implementation rates and spending efficiency to ensure more public spending is directed to developmental projects.
- The financial policy and its tools should guarantee an effective response to the economic problems and high growth rate in a stable economic environment and more coordination among economic policies particularly those focusing on making a major impact on spending.
- Increase the financial policy efficiency through rectifying the public expenditure structure, diversifying public revenues and improving the tools of the government deficit and public debt management.
- Improve financial management and adopt more developed patterns of public budgets including the budgets of programs and performance.
- Automatize public financial operations.

Target-Achieving Tools:

- Use the annual surpluses in a sovereign fund to stabilize the oil revenues and reduce reliance on them.
- Increase the share of public investment expenditure in the public budget and increase the implementation rates and spending efficiency to ensure more public spending is directed to developmental projects.
- The financial policy and its tools should guarantee effective response to the economic problems and high growth rate in a stable economic environment and more coordination among economic policies particularly those focusing on making a major impact on spending.
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- Improve financial management and adopt more developed patterns of the public budget including the budgets of programs and performance.
- Automatize the public financial operations.
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3.3 Diversified Economy

There are two manifestations of the mono-economy: the traditional one which means the dominance of the oil sector over the other economic activities. The oil sector is the main activity and key income generator for the country which is evident in its growing importance compared with the rest of the economic and production sectors especially industry and agriculture. The other one is the dominance of the public sector as the main generator of national income and fixed capital and the biggest employer of the workforce. The public sector contributed 79% of fixed capital in 2014 compared with 94% in 2006. It employs 40% of the total workers and the entire formal workforce.

In terms of economy, the Iraq Vision 2030 is aspiring to build a diversified social market economy which generates decent job opportunities and offer a high level of welfare via partnerships between the public and private sectors. The aim is to achieve a positive transformation in the economic base and the connection with the global economy as balanced and sustainable development is the entry point for changing the Iraqi economy from a revenue-generating economy to a diversified and productive one. This can be achieved through focusing on high and sustainable economic growth in partnership with a strong, effective and active local and foreign private sector supported by the sectors of agriculture, industry, infrastructure, and services.

On the medium-term, these guidelines stress the following goals:

1. Expand the growth sources to cover other sectors including agriculture and services.
2. Adopt more predictable, sustainable management of the country’s natural resources with replacing the (underground) wealth with portfolio assets (on the ground). The latter involves financial assets which support spending on the coming generations and quick investments in the human, financial and institutional capital which supports economic revival and growth on the long-term.
The following are the goals within the third priority:

**Goal (3-1): High and sustainable economic growth rate.**

The economic growth rate suffers from high ambivalence due to the over-reliance on oil and high sensitivity of the GDP to the fluctuations of crude oil prices and oil export rates. Over time, the Iraqi economy became more susceptible to these fluctuations in light of the absence of policies to rectify the situation, diversify the economy and reduce the impacts of oil and non-oil shocks.

The Iraq Vision 2030 seeks to build a diversified and competitive economy which is able to provide job opportunities and profit and income-generating investments and reduce reliance on crude oil in generating GDP through encouraging companies and activating the private sector which will create most of the job opportunities in the future. This would help end the reliance on the oil sector. Therefore, the focus will be on stimulating sectors with high added value, especially in industry and agriculture. On the other hand, enhancing economic growth highly depends on increasing the private sector’s role in the economy, improving the investment environment and increasing transparency in establishing businesses. Thus, the Iraq Vision 2030 should guarantee involving the private sector as a partner and to pave the way for it to be the leader and main tool of development.

**Target-Achieving Tools:**

- Ensure achieving economic stability through macroeconomic policies particularly the financial policy, deficit and public debit management and ensuring stable and predictable inflation rate.
- Protect the economy and reduce the global economy’s negative impact on the internal growth process.
- Strike a balance between the population growth and the economic one to ensure decent living standards for all Iraqis.
- Optimal use of the available human and material resources.
- Increase non-oil GDP growth rates to exceed its oil counterparts to achieve a balance between them.
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- The optimal combination of these elements.
- Increase the contribution of agriculture and industry to the GDP.
- Enhance cross-sector networking and connections among economic sectors.
- Exploit the location advantage of directing investments.
- Develop the rural development and fair geographic distribution of resources.

Goal (3-1): High and sustainable economic growth rate.

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Target-Achieving Tools:

- Ensure achieving economic stability through macroeconomic policies particularly the financial policy, deficit and public debt management and ensuring stable and predictable inflation rate.
- Protect the economy and reduce the global economy’s negative impact on the internal growth process.
- Optimal use of the available human and material resources.
- Increase non-oil GDP growth rates to exceed its oil counterparts to balance them.
- Optimal combination of these elements.
- Increase the contribution of agriculture and industry to the GDP.
- Enhance cross-sector networking and liaison among economic sectors.
- The geographic advantage directing investment.
- Develop the rural development and fair geographic distribution of resources.

Goal (3-2): Increase the oil sector efficiency.

The oil and gas sector will remain the most important pillar of the Iraqi economy in the foreseeable future. However, Iraq’s oil production (4.5 million barrel per day) does not show its reserves. In 2016, the ratio of Iraq’s reserves to its annual production was 93.6 years, about double the international rate which is 50.6 years. Iraq has the capacity to produce 8 million barrel of crude oil per day. In 2012, Iraq’s goal was to produce 13.5 barrel per day by 2017. However, these ambitious plans were not achieved.

Figure (4): Highest oil reserves in the world in 2017.

Although Iraq's natural gas reserves are estimated to reach 112 trillion cubic feet, in terms of production, it ranks 65 globally. There are still wide uncharted territories, especially in the western deserts. Thus, many gas fields should be explored at lower depths. With this additional capacity, Iraq's gas reserves might reach 280 trillion cubic feet, making it possess the world's seventh largest reserves of traditional gas.

In 2016, Iraq’s daily natural gas production reached 2.8 cubic feet. This figure is still low given the volume of its reserves. Australia, which has similar reserves, produced 8.8 billion tons of natural gas in 2016 and exported 4.9 billion cubic feet per day with a value of USD 17.9 billion. The annual economic loss due to burned gas quantities represents about USD 2.5 billion. The Ethane gas is not completely exploited despite its high availability in the Iraqi gas. It can be used to produce electricity and heating. The lack of locally produced natural gas led to importing fuel to operate the gas-powered electricity stations. Thus, replacing gas with oil and other kinds of fuel would allow Iraq to reduce imports and increase its oil exports and save an amount of USD 5.1 billion annually. Reducing burned gas and the use of heavy fuel oil and generating electricity through natural gas reduced Iraq’s carbon dioxide emissions by 25% in 2015.

Burning associated gas is the most urgent challenge in the short term. It wastes resources which can be used to tackle the shortage of energy on the local level and enable developing the industries of fertilizers, petrochemicals, iron, and aluminum. The current deficit in gas supplies leads to the absence of a sufficient contractual, regulative, institutionalized framework for private-sector investments in the gas infrastructure. Anyway, the oil licenses contracts do not include any terms on natural gas except for identifying the operator’s commitment to transfer the control and ownership of unprocessed gas to the national oil companies without additional costs. The public budget constraints have prevented the national oil companies from making the needed investments to extract, transfer and market crude oil.

Iraq, as a major oil producer, complies with supporting the global economy and ensuring the flow of oil to support international growth. However, structural changes occur in the global energy markets not to mention climate change. It seems that oil prices started to be affected by the technological developments which contributed to increasing the production of shale oil in North America. In addition, global energy producers face uncertain expectations in the long term. There are growing risks of transition to a low-carbon global economy which reduces the value of the energy assets all over the world particularly oil with dwindling demand on energy generated through traditional fuel. The political incentives might encourage adopting more environment-friendly production and transport methods.

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4 The Paris Agreement signed in December 2015 commits 195 countries to report progress to a United Nations body in cutting carbon emissions every five years, beginning in 2023. The agreement aims to keep global warming to a maximum limit of 2°C (about 3.6°F) above pre-industrial levels, with a goal of eventually lowering that even further to about 1.5°C. And it promises to cap global carbon emissions “as soon as possible.”
5 For example, India has already announced that all new cars will be powered by electricity by 2030, while China is studying a similar move.
Therefore, the oil sector’s role in providing financing, launching the development process and stimulating other sectors should be taken into consideration as it provides resources, inputs, and energy and contributes to sustaining the progress of sectors. Therefore, the following sub-goals should be considered:

- Double oil production and increase its exports.
- Improve export and storing capabilities and the transport and distribution services.
- Double the refining capacities to achieve self-sufficiency in oil derivatives.

**Target-Achieving Tools:**

- Develop the existing oil fields and invest in promising ones.
- Develop the infrastructure supporting oil production.
- Develop the export ports and transfer lines, increase their capacities and develop oil tankers.
- Increase investment in associated and non-associated gas and improve the structure of production, processing, transfer, and distribution.
- Preserve the environment in oil-production areas and use environment-friendly technologies.

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**Goal (3-3): Strong private sector which contributes to development.**

Diversifying the Iraqi economy does not imply more reliance on the public sector and expanding the contribution of the other non-oil sectors to the economy. It involves expanding the private sector’s participation, encouraging local and foreign investments and building national companies which support and expand diverse economic activities.

Creating job opportunities in the private sector on a wide scale depends on the structural reforms which can only be implemented on the medium and long term. However, job generation in Iraq represents a priority not only because it contributes to generating income for the poor, unemployed, women, the marginalized and other vulnerable
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categories but also because it is the cornerstone in any strategy for rebuilding trust in the state and the economy.

At the same time, the major constraints on the private sector development should be removed including the governance of state-owned companies and entities, developing a new framework for the policies and regulation of the public-sector investments and pricing policies which support financial sustainability. These reforms would enable the financial sector and infrastructure to support private economic activities including agriculture and housing and develop the local capital market. The commercial agreements would facilitate imports, improve standards, and increase the demand on Iraqi exports.

The most suitable strategy for Iraq will be based on three investment pillars:

1. Building and public works.
2. Agriculture and agricultural activities.
3. The small and medium enterprises and professional skills which enable wide-scale job creation on the short term. They are crucial to the success of the reconstruction efforts.

The construction sector is considered an evident activity and a tangible and direct signal to the government to play its economic role. It helps in providing services and facilitates the companies’ work. Agriculture involves diverse and growing activities. Only 5 million out of 9.5 million hectares of arable lands are cultivated. Thus, creating job opportunities in the agricultural sector reduces unemployment quickly and creates job opportunities for women to form 60% of labor in this sector. This would, in turn, increase the provision of locally-produced food as currently most of the consumed food is imported. It would also positively impact the balance of payments.

The small and medium enterprises can increase the investment’s positive impact on the construction and agriculture sectors as they are indeed active in these two sectors, highlighting their great resilience. Job creation in the construction sector can be increased if preferential treatment is given to the small and medium enterprises in the public works.

The job opportunities in these sectors require training or specific technical and professional skills which can be provided outside the formal education and within a short period. The service providers in the private sector can be encouraged through providing practical training or time-bound cash transfers for young people, women and the displaced who return to their areas.

Job generation on a wide scale requires an effective mechanism to provide the needed money probably in the form of funds. This would encourage investments and purchases to provide the sources of funding and project management which ensure investors the needed trust to get funding for wide-scale and quick job creation in construction, agriculture, and tourism. It is hoped that such funds will receive initial funding from the surplus oil revenues. Some funds will be provided by the public budget and the remaining will be provided from banks as loans and from other development partners and the private sector.
As for the private sector development, there are a number of key fields which should be prioritized in the Iraq Vision 2030:

- Engage the private sector in the reconstruction efforts and form a real partnership between the public and private sectors in all fields particularly in providing basic goods.
- Support growth-prioritized sectors including building, public works, agriculture, agricultural-commercial businesses, and tourism.
- Identify targeted package of political reforms to develop the private sector including enhancing the government purchases, protecting investors, reducing the proliferation of corruption through increasing the level of transparency in the business environment.
- Improve commercial integration through commercial agreements, develop a more comprehensive commercial policy for Iraq with clear strategic objectives including making bilateral commercial agreements, preferential trading agreements and international investment agreements.
- Improve the business and investment environment and create an appropriate and attractive environment for foreign investments.
- Exploit the comparative advantage to direct private-sector investments.
- Restructure public projects gradually.

Goal (3-4): Develop the agricultural sector and achieve food security.

Agriculture is a successful example in terms of private sector management. Most of the Iraqi farms were owned by the private sector. Agriculture was a major livelihood for the poor and the biggest employer of workers in rural areas. Grains (particularly wheat and barley) are Iraq’s most important crops. They occupy 80% of Iraq’s cultivated areas. Wheat is the key products in the northern and central areas whereas the southern areas include a mix of crops where mediate irrigation is mainly used. The livestock and fish are key income sources for the population of the rural areas. They contribute 30-40% of the agricultural production value and are important food sources for the countryside population.
Decades of wars and sanctions affected the total food production. The agricultural activity in the main production areas was affected due to the shortage of agricultural outputs, fluctuating prices, low water supplies and lack of security. Agricultural and animal production suffered huge losses and damages due to the conflict. The losses in livestock reached 95% in some areas. According to the Food and Agriculture Organization (2017), the deterioration of the agricultural production is ascribed to: (1) the outdated equipment, tools and technologies (2) Weak access to the irrigation tools; 20% of farmers do not get enough irrigation compared with 65% before the conflict (3) Shortage of fertilizers and seeds (4) Damages to the transport sector and infrastructure (5) Underfunding. Since the occupation, Iraq lost about 40% of its agricultural production in the governorates where agriculture is the main economic activity (6).

The rationale behind focusing on agriculture development lies in the fact that it is the sector which employs the most labor and the possibility of expanding it through providing more arable lands. Women contribute to more than 50% of the total workforce in this sector. Creating job opportunities in this sector, where the poverty rate is high, provides income sources. Increasing agricultural production ensures food security for more than 2.4 million people who need food security aid. A prosperous agricultural sector is expected to contribute to higher growth. This requires securing major investments in this sector to overcome the challenges it faces and then achieving the intended development, increasing its contribution to the economic growth, diversity, and food security and generating job opportunities.

To develop this sector, operational links should be established between agriculture and other sectors through:

- Reconstruct the agricultural infrastructure.
- Reform the lands systems.
- Increase access to loans
- Enhance market mechanisms to rebuild small companies.

On the other hand, the reforms aim to achieve sustainable development, increase the competitive capacity in agriculture, increase the access of young people, women, and men. Iraq needs to adopt new policies to stimulate productivity and food production, create new opportunities to diversify the farmer’s income and ensure alleviating poverty in the rural areas and make the agricultural sector a competitive one. The key areas of focus might involve:

- Transform the government from a market player to a market supporter.
- Improve the farmers’ access to the final goods markets.
- Improve the farmers’ access to supply markets.
- Improve food safety which increases the capacities of the food trade sector.
- Support the producers of the crops which are connected to food security.
- Modernize the agricultural sector’s infrastructure.

• Secure strategic reserves of the staple crops.
• Adopt and support modern technological uses in irrigation and reclaimation to enhance efficiency.

Goal (3-5): Developed infrastructure

Infrastructure should be developed in the fields of transport, communications, IT, electricity and water to exploit the maximum available resources, direct investments and attract the local and foreign private sector to this direction. There is an urgent need for quick intervention to reconstruct infrastructures especially those related to drinking water and sanitation, solid waste treatment, housing, public transport and roads, and bridges. The infrastructure of irrigation and water management in rural areas is considered a priority to enable the reclamation of agricultural production. Thus, major investments are needed in infrastructure to ensure the growth and development process is not obstructed in the future.

Target-Achieving Tools:

• Rationalize infrastructure pricing. This can be done through designing tariffs in a way which reveals almost the entire cost of service provision whenever possible to ensure the ability to finance service delivery.
• Expand the private-sector opportunities in service provision and form partnerships between the public and private sectors on a trial basis. These opportunities can be provided in the sectors of health, education, and transport especially in the urban areas.
• Continue investment in infrastructure in partnership with the private sector whenever possible to boost the population welfare, protect the environment and
develop the production sectors. The government will need to consider the opportunities for privatizing the infrastructure’s management and maintenance.

- Take geographic integration into account. The reconstruction activities and future investments should be based on an integrated geographic planning approach unlike the current decision framework of sector-specific investments. All the systems of IT, communications, water, roads, airports, railways, and ports should be integrated. Each should be recognized as a crucial element in the comprehensive infrastructure network to reach a more economic and effective implementation plan.

- Developing electricity entails implementing reforms in four key areas including energy supplies and reliability, sector operational capacities, financial sustainability and the institutional, legal and regulative framework. Thus, the reforms should first reduce subsidies and improve operations through establishing a facility owned by the public sector. Afterward, the reforms must lead to adopting a strategy for involving the private sector and measuring its performance.

- Develop the transport sector through increasing railway connections locally and internationally especially to transfer goods among ports, border crossings, and industrial zones, making the sector more responsive to the industrial and commercial growth needs and facilitating the easy and quick flow of goods and people across the country.

- Develop the IT and communications infrastructure, increase access to these technologies, increase the speed of internet connections, develop the national structure of digital storing and link it effectively to the internet.
Goal (3-6): Active and well-governed financial sector.

As for the financial sector, the government needs to create the circumstances to support and exploit economic reform activities and reconstruction. To achieve this, the immediate reforms should focus on providing the tools for the banking sector to increase financing the economy and reconsider the plans of the agricultural and housing sectors.

A good financial market can support the financial policy and its tools including governmental bonds, leading to diversifying the public revenues for relatively stable internal sources and enhancing the investors’ trust in the capital market. These tools should not only be used in times of growing financial deficit but also on a wide scale as a source of public revenues under the framework of a flexible and effective financial policy.

Developing the banking sector enables providing funding opportunities and benefiting from the high banking liquidity particularly when appropriate mechanisms are adopted on lending local institutions and funding infrastructure projects. This will improve the structure of loans provided by the banks which can be best described as personal and private.

Target-Achieving Tools:

- Increase citizens’ trust in the banking sector. To this purpose, the government should ensure that banks have appropriate capital, focus on their integration and continue partnerships with reputable regional banks willing to operate in Iraq.
- Adopt a mechanism to secure deposits to increase stability and investors’ trust in the banking sector.
- Expand the credit available to the private sector through financial integration and reducing the total funds needed by the government.
- Reconsider a number of laws which obstruct the real estate development when there is a high demand for housing. On the short term, the focus should be on complementary reforms such as adopting the national identity cards, improving the people’s access to financial services and adopting the bankruptcy law. The Social Fund for Development should provide funding to microfinance institutions so that they can lend people who do not meet the banks’ credit requirements.

On the medium and long term, the reform agenda should focus on:

- Restructure the banks of Rasheed and Rafidain.
- Implement legal and regulative reforms.
- Finish working on the system of salary paid through banks.
- Professionalize the financial sector.
- Apply sufficient monitoring on the banking sector.

On the long-term:

- Develop the capital markets to complement the banks’ role in mediating financing.
- Finish the legal and regulative framework to apply a transparent system to the listing companies and commercial companies.
- Promote saving and develop new mechanisms to encourage capital and investors to stay in the country. The local bonds market can provide appropriate long-term saving bonds and investment ones to enhance economic growth.
- Establish local investment funds to attract more funds and investors to establish large companies which will have a positive impact on the financial market and make it more competitive.
- Involve the national retirement funds in investment in the local market.
- Financial coverage which can be considered a key requirement in the desired automatic reform process which can enhance the contribution of all society members to the financial system and the trust in the banking sector.
3.4 Safe Society

Needless to say that security has become a key concern for individuals and institutions since 2003 with the growing number of violations of the citizens’ security. Therefore, it seems necessary that Iraq Vision 2030 aims to enhance the feeling of security among society members and increase the state’s ability to provide safety and security for all.

The continuing crises and their aggravation in Iraq exceeded the stage of threats and become a measure of action and reasons for undermining union, stability, hopes, and aspirations. The logic of crises distribution replaced the logic of achieving sustainable development. Fragility aggravated in an environment which is full of threats and risks.

The subsequent crises caused structural dysfunctions in the country and new complex phenomena including but not limited to forced displacement, a growing number of orphans, widows and homeless people, family breakdown, administrative and financial corruption, poverty and deprivation, high unemployment rates, disability, and informal settlements. On the other hand, Iraqi society faced new, unprecedented problems including terrorism and armed conflicts and the subsequent national identity fragmentation, the policy of quotas based on allegiances instead of the performance and achievement culture, disrespect for the law, order and time, organized crime, sexual exploitation, human trafficking, drug use, trespassing on public possessions and disregard for the social responsibility principle.

According to the Global Peace Index in 2018, Iraq ranked 160 out of 163 countries covered by the index which considers three areas: the level of societal safety and security, the extent of the ongoing domestic and international conflict and the degree of militarization (7).

Stability is the key indicator of internal cohesion. Iraq is one of the countries which face challenges that threaten its social fabric including the spread of negative habits and their devastating impacts on the security of people, high rates of crime compared with the neighboring countries, continuing external challenges, and weak governmental and nongovernmental social control. The Iraqi families face problems with growing dangerous repercussions due to the economic and psychological pressures which can lead to divorce or the separation of parents, leaving children exposed to the risks of homelessness and child labor. In addition, forced displacement directly threatens the families’ security and their social, economic and psychological stability.

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A series of key steps should be taken to overcome these challenges, taking the current priorities into consideration to provide practical solutions to the division and separation cases, assess these challenges more accurately, provide possible solutions and identify clearer priorities and options to tackle them. It seems obvious that diagnosing the situation appropriately requires taking multiple measures across the country to analyze Iraq’s exact needs and continue the planning and management efforts to respond to the changeable interactions and needs emerging from Iraq’s key problems.

Goal (4-1): Enhance the culture of tolerance, dialogue, and community peace.

Target-Achieving Tools:

- Develop the pillars of societal peace as it is a legitimate right for citizens and the citizenship’s purpose.
- Establish the values of solidarity, tolerance, justice, and freedom to enhance the human solidarity principle which is the essence of citizenship.
- Introduce the rights and obligations through awareness programs.
- Develop the principle of social fraternity and its traditions.
Goal (4-2): Appropriate development of families, women and vulnerable groups (*).

**Target-Achieving Tools**

- Take appropriate protection measures to support the vulnerable categories.
- Take precautionary measures to reduce the implications of expanding fragile and vulnerable categories.
- Increase the number of social protection network beneficiaries.
- Increase the effectiveness of social security networks.
- Adapt the existing legislation to the new societal data including the laws of labor and children and social protection.
- Increase the social aid amounts provided to the fragile categories to meet the rising living costs.

Goal (4-3): Enhance the values of citizenship and reduce the aspects of inequality.

**Target-Achieving Tools:**

- Establish the principle of social security for all people.
- Integrate people with disabilities into the rehabilitation programs to ensure their participation in the development activities.

* This vulnerability is the product of the existing social system.
Goal (4-4): Establish the values of achievement, initiative and voluntary work.

- Enhance social work institutions.
- Develop the spirit of participation and voluntary work in the local communities.
- Implement awareness-raising programs to motivate thinking and influence and define the social roles of individuals, families and society.
- Enhance infrastructure programs which are suitable for the disabled and elderly.

Goal (4-5): Sustainable solutions for displacement and internal and external emigration.

The unbalanced development process made cities particularly the big ones more alluring in terms of housing and livelihoods. Therefore, the starting point is to find sustainable solutions to the issue of emigration from the countryside to the cities and from the small cities to the big ones including covering the rural areas and small cities with development, launch initiatives to develop these areas through focusing on education, health, infrastructure, jobs and eradicating poverty. The aim is to achieve balance in the development process and provide equal opportunities to all Iraqis.
Focusing on these aspects ensures raising the living standards in these areas and facilitating access to basic services. When coupled with providing job opportunities, this would reduce emigration driven by economic reasons.

Target-Achieving Tools:

- Implement effective programs to improve the countryside situation and reduce the factors encouraging its population to leave their areas.
- Adopt effective plans for reconstruction and development projects in the affected governorates.
- Achieve population stabilization in the countryside and the least developed cities.
- Implement projects with integrated activities in rural areas.
- Adopt national policies and practical measures to reduce the youth emigration and encourage them to return to their homelands.
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3.5 Sustainable Environment

Iraq’s environment is highly fragile due to the absence of policies which take environmental sustainability into consideration. According to the Environmental Sustainability Index in 2018, Iraq ranked 152 out of 180 countries covered by the report, highlighting the state’s poor capacities to protect the environment, the lack of attention to the environment and neglecting the appropriate policy options to preserve it (8).

Despite the many sources of air pollution in Iraq, they are all caused by the leakage of industrial waste and traffic fumes. In 2014, the number of cars owned by the state apparatuses and public and mixed sectors increased to 219,550 excluding the Kurdistan Region and the number of cars owned by the private sector reached 5,388,968 including the Kurdistan Region(9). This means there is a car for every six people.

The rising levels of these pollutants in the Iraqi environment exceeding the allowed limits nationally and internationally especially in the residential areas have negative implications on public health. These problems aggravated in light of the lack of laws and regulations to deter the violators and lack of the tools and controls needed to reduce the pollutants emitted from industrial complexes, the transport sector, home sources, and others. In the period 2000-2012, the dioxide carbon emissions increased from 74.4 tons to 139.5 tons and to 170 tons in 2015. The greenhouse gases rose from 184.7 tons to 256.44 tonnes in the same period(10).

The industrial development does not meet the environmental balance requirements in terms of location and disposal of industrial waste which is a key source of pollution especially of water sources for two reasons: first, most of the Iraqi industries are concentrated near the rivers without taking the environmental requirements into consideration. Second, the wastewater contains high concentrations of pollutants most of which are disposed of in the rivers without treatment (11). Generating electricity is a problem which imposes environmental challenges due to overuse of fuel types which are not environment-friendly, continuing use of heavy fuel and reliance on the small power generators scattered all over the residential neighborhoods which emit different types of pollutants.

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8Yale University, 2018 Environment Performance Index, p. 16
(https://epi.envirocenter.yale.edu/downloads/epi2018policymakerssummaryv01.pdf)

Iraq is recognized as one of the most affected countries by the harmful effects of climate change (12). The average temperature is expected to rise to two degrees by 2050 due to climate change. The rising temperatures and a shortage of water will negatively impact agricultural production, despite its significance to the population sectors, due to years of conflict, mismanagement of water, infrastructure, production, and prices controls and desertification. The FAO estimates show that about 60% of cultivated lands were negatively affected by salinity. Around 20-30% of these lands were abandoned and the crops of the remaining ones fell by 30-60%, let alone the implications of the change in climate patterns in the period 2007-2009. The coverage fell by around 40% in agricultural lands. Drought and scarcity of water are increasingly recognized as key causes of displacement and unplanned urbanization. The shortage of water resources in Iraq will increase after Turkey and Syria develop irrigation projects on the Euphrates, particularly in the absence of international agreements which regulate water use in the three countries.

Thus, Iraq Vision 2030 integrates with the environmental goal to create a clean, safe and sustainable environment for the current and future generations. This can be achieved through localizing environment in the development plans and policies to achieve a sustainable improvement in the people’s life quality, ensure the sustainability of production and consumption patterns and reduce the implications of environmental pollution and climate change, aiming to achieve the necessary environmental balance and enhance biodiversity protection under an active implementation framework for international environmental agreements and their subsequent obligations.

The Iraqi government reaffirms its commitment to sustainable development with striking a satisfactory balance between economic development and environmental protection. The water crisis will probably aggravate in light of the environmental degradation and the climate change implications which represent an additional threat given the growing demand for water and rising temperatures in an environment which lacks food security. Nevertheless, Iraq Vision 2030 provides an opportunity for new growth sources particularly from the green environment provided that infrastructure and the housing and transport systems are rehabilitated in a way which enables society to adapt with the climate change.

Sustainable environmental development should be implemented through adopting and applying environment-friendly economic policies and translating the international environmental agreements in the national plans and policies.

The following are the goals to achieve this priority:

Goal (5-1): Reduce environment pollution and greenhouse emissions.

Tackling environmental problems and preventing their aggravation can be achieved through drafting laws and imposing measures which reduce the water, air and soil pollution, treating waste according to advanced landfilling and recycling systems and increasing the reliance on renewable and clean energy sources. Meanwhile, the private sector’s contribution to tackling environmental issues should be enhanced.

**Target-Achieving Tools:**

- Protect and improve air quality.
- Protect and improve soil quality.
- Develop a waste recycling system to cover 50% of the waste in the future.
Goal (5-2): Efficient use of water resources.

The need to increase the efficiency of water resources use is crucial in light of the continuous decrease in the water available for home, agricultural and industrial uses and to prevent wasting more water.

Target-Achieving Tools:

- Improve the irrigation and drainage systems.
- Increase water reserves.
- Develop an integrated water management system.
- Enhance international cooperation on water.

Goal (5-3): Environmental conservation

Target-Achieving Tools:

- Provide sanitation services to all Iraqi areas.
- Stop the disposal of wastewater in the rivers.
- Expand the green spaces and green economy.
- Develop the environmental legislation including imposing environmental taxes.
Goal (5-4): Develop the consumption and production patterns to achieve environmental sustainability.

With limited lands, growing population and dwindling natural resources, enhancing sustainable agriculture is a must. Building a flexible agricultural sector requires technologies and practices which are based on ecological and agricultural knowledge to enable small farmers to face environmental degradation and climate change and fluctuation through methods which protect sustainable agricultural growth. Therefore, consumption patterns should be adapted to be environment-friendly and prevent wasting resources which cannot be compensated easily and at reasonable cost.

Target-Achieving Tools:

- Environmental planning and sustainable cities.
- Develop irrigation systems and effective water management.
- Invest in enhancing soil desalination practices.
- Promote plant and animal species resisting climate change.
- Adopt a risk management framework for the agricultural sector to be applied in case of an unstable market and production.
- Raise environmental awareness about the current risks of consumption to adopt environment-friendly consumption patterns.
- Stress the environmental standards in the feasibility studies for establishing new industrial projects.
- Adopt an environmental monitoring system to cover all institutions and projects.
- Improve the public transport system and reduce the levels of pollution caused by the means of transport.
Goal (5-5): Protect biodiversity and revive the Mesopotamian marshes.

The National Biodiversity Protection Strategy (2015-2020) includes a number of programs and projects which aim to protect biodiversity and attract attention to revive the marshes as a unique environment in the region.

**Target-Achieving Tools:**

- The sustainable revival of the Mesopotamian marshes.
- Monitor and protect the environmental system of the Mesopotamian marshes.
- Protect biodiversity in the marshes.
4. Vision Realization Mechanisms

Achieving the aspirations included in Iraq Vision 2030 requires continuous national efforts to enhance accountability and effectiveness of capacities on all government levels and institutions and during the making and implementing public policies. This seems a necessary requirement to enhance the citizens’ trust in the government, reduce the risks of renewed violence cycles and adopt the foundations for a comprehensive and working democracy and an economy led by the private sector.

4.1 Institutional Framework

The MoP is responsible for adopting the strategic frameworks of the Iraqi economy, creating the circumstances for developing the economy and adopting future policies and plans. Therefore, the MoP aimed to develop an institutional framework to follow up the vision implementation in relation to the Sustainable Development Goals on the federal and local levels (Figure 5) and translate the outputs of the follow-up, evaluation and monitoring reports in the national and sectoral strategies and plans and the implementation policies in all state institutions. Thus, Iraq Vision will act as an umbrella and a road map to achieve sustainable development.

- **The Follow-up Unit**, which was established based on Ministerial Decision No. 19 of 2016, is headed by the Minister of Planning and includes the ministries undersecretaries, representatives from the civil society and the private sector and academic experts. It will direct the programs and policies to achieve the goals and submit them to the Council of Ministers to be approved and oblige ministries and local governments to implement them. The unit acts as a joint consultative body combining the government, the civil society and the private sector with the aim to develop the visions and concepts of development to meet Iraq’s future needs, achieve the vision goals and facilitate cooperation and communication among these entities and provide consultations to the National Committee of Sustainable Development.

- **National Committee of Sustainable Development**: It is also chaired by the Minister of Planning and includes representatives from the relevant ministries (director generals or experts). It consists of 27 members and it is tasked with monitoring the Sustainable Development Goals and preparing a national report on the achievements made through its specialized teams (Figure 7). Each team focuses on a specific set of goals and submit its reports to the committee to follow up these goals.

- **Sustainable Development Committees in the Governorates**: They are local committees chaired by the governors and their technical deputies and consist of: environment directors in the governorates, the representatives of the directorates of agriculture, water resources, municipalities and public works and planning, university heads in the governorates, representatives from the private sector and civil society and the rapporteur and its secretary. These committees have the right to add representatives of the related entities based on the case of each governorate. Their task is to monitor progress towards achieving the Sustainable Development Goals and their indicators on the governorate’s level and submit their reports to the National Committee of Sustainable Development.
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Figure (5): Institutional structure of monitoring and evaluation.

Follow-up Unit

National Committee of Sustainable Development

Ministries Specialized Teams

Sustainable Development Committees in the Governorates Sustainable Development

Poverty Reduction Team

Environmental Team

Green Economy Team

Human Development Team

Static & Information Team

Education & Awareness Team

Supporting Team

Figure (6): Progress towards vision realization.
Arabic references:

1. House of Wisdom et al., Supporting Decentralization and Local Governance to Assist in Service Delivery in Iraq (Final Study), Baghdad 2011


4. Economic and Social Commission for Western Asia, Statistics on Climate Change in the Arab Region, ESCWA, 2017

5. Ministry of Finance, Tax Authority, Planning and Follow-up Section.

English references:

1. UNHCR: http://reporting.unhcr.org /www.iccg.org: transparency international (TI) corruption perception index(cpi)

2. The Paris Agreement signed in December 2015 commits 195 countries to report progress to a United Nations body in cutting carbon emissions every five years, beginning in 2023. The agreement aims to keep global warming to a maximum limit of 2°C (about 3.8°F) above pre-industrial levels, with a goal of eventually lowering that even further to about 1.5°C. And it promises to cap global carbon emissions “as soon as possible”.

3. For example, India has already announced that all new cars will be powered by electricity by 2030, while China is studying a similar move.


9. The agricultural sector contributes about 5 percent to national GDP, with total employment estimated at 23.4 percent in 2008 versus 29.7 percent in 2006.

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