**Appendix A**

**Terms of Reference**

**For Individual Consultant for development of a report on "Sectoral and Thematic Assessment For Iraq"**

**Abbreviations**

IsDB : Islamic Development Bank

IsDBG : Islamic Development Bank Group

MCs : Member Countries

MCPS : Member Country Partnership Strategy

RHC : Regional Hub of Cairo

SDGs : Sustainable Development Goals

ToR : Terms of Reference

**Introduction and Purpose**

* 1. **Introduction**
     1. The Islamic Development Bank has prepared this terms of reference for the consultancy service entitled: " Sectoral and Thematic Assessment For Iraq", hereinafter called "Sectoral and Thematic Assessment Report". The main objective of this consultancy service is to provide a full fledge country analysis for Iraq that supports the development of IsDB’s prospect projects and IsDBG's upcoming Member Country Partnership Strategy (MCPS) for Iraq.
  2. **Background** 
     1. Recently, the Islamic Development Bank Group Board of Governors endorsed the IsDB's Strategic Realignment for 2023-2025. The Bank initiated the repositioning calibration exercise to effectively help its Member Countries tackle the multitude of emerging challenges they face. The medium-term strategic direction of the Bank has therefore been realigned with the MCs' evolving needs, given that the global economic recovery is facing significant headwinds amidst the ongoing negative impact of COVID-19 and the Eastern European conflict.
     2. Implementing IsDB's new realigned strategy effectively and successfully requires continuous alignment of support programs with MCs' needs. This entails deepening the country-level engagement, particularly MCPS, through adopting a pro-active programming approach that keeps IsDB interventions relevant and responsive to MCs' development priorities while simultaneously aligned with the new strategic direction.
     3. The IsDBG Member Country Partnership Strategy is the Bank's primary tool for ensuring an effective group-level engagement with our member countries that is strategically focused and results-oriented. The MCPS provides the IsDBG a platform for structured dialogue with MCs' governments, development organizations, private sector, civil society, and other stakeholders, intending to have an "inclusive" country engagement. Through these consultations, the MCPS enables the IsDB to select and design country-relevant interventions and forge strategic partnerships and joint initiatives with development partners.
     4. The main objective of the MCPS is to provide a plan and strategy for how the IsDBG's assistance will effectively contribute to the achievement of the country's development goals and help it to achieve its prioritized Sustainable Development Goals (SDG) in a manner consistent with the Bank's Strategic Realignment for 2023-2025
     5. In October 2022, the Regional Hub of Cairo of IsDB met with Iraqi government representatives, and they agreed tentatively on a pipeline of projects that IsDB could finance in the upcoming few years. In addition, the two parties showed their interest in having an MCPS for Iraq prepared in 2023. This meeting was part of IsDB’s new direction of having more structured and proactive engagement with MCs.
     6. IsDB’s country engagement with Iraq considers its specificities as a post-conflict fragile but as an upper middle-income country. Iraq has endured a series of conflicts in recent decades involving domestic and international actors, which has deeply affected the Iraqi economy, internal social cohesion, and people’s vulnerability.
  3. **Objectives of the Assignment**
     1. Under the guidance of a technical team appointed by the Manager of the Regional Hub of Cairo, the selected consultant will provide a full fledge desk research country analysis for Iraq that supports the development of IsDB’s prospect projects and upcoming IsDBG's MCPS. This assessment includes but is not limited to; country, thematic and sector diagnosis, review of development partners' strategies and Interventions, assess national development plans and priorities, map of implementation risks and identify mitigation strategies.
     2. This consultancy service will support to document and disseminate the work of the "Sectoral and Thematic Assessment Report” with high-quality and original graphic design materials.

**Scope of Work**

* 1. The “Sectoral and Thematic Assessment Report” will entail diagnostics and analytical work, including; macroeconomic, thematic, and sector diagnostics. In addition to identifying the national and sector development constraints to sharpen IsDB's interventions' selectivity.
  2. The consultant's scope of work under the Sectoral and Thematic Assessment Report for Iraq is detailed below:
     1. **Macroeconomic assessment.** This assessment should answer the following questions: how did the economy perform in recent years, and what are the underlying factors driving the performance? How effective was government macroeconomic management in supporting growth, and what are the policy issues for maintaining macroeconomic stability? Finally, what is the country's economic outlook?
     2. **Sectors detailed assessments and systematic analyses**. (Agriculture and Food Security, Water, Energy, Health, Education, Transport, Information and Communication Technology, and Urban Development). The analysis should cover recent trends, performance, and constraints faced by each sector in terms of investment, policy, and capacity. These analyses should provide recommendations for IsDB's priorities and form of interventions in each sector.
     3. **Thematic assessments.** This assessment should provide updated information and analysis on Iraq's cross-cutting development dimensions for Climate Change & Environment, Women & Youth Empowerment, Civil Society, Inclusive Social Development, Regional Cooperation, and Reverse linkage (opportunities for south-south collaboration). This section should provide recommendations for IsDB's priorities and form of interventions in each thematic area.
     4. **Fragility analysis** to identify and assess the economic, social, political, and environmental drivers of fragility in the countries, the sources of resilience to fragility and conflict, and the capacities of Iraq's state systems to adapt to shocks.
     5. **Private Sector analysis:** Analyze the private sector environment and how the public and private sectors work together. This section will be focused on MSMEs development, empowerment, and financial inclusion. The analysis will also include the Public-Private Partnerships ecosystem, trade development, and financing needs.
     6. **Map main development challenges.** This includes a summary of the high-level development challenges to boost recovery from covid-19, tackling poverty & building resilience, and driving green economic growth. This part addresses the overall country’s development and details the main challenges for individual sectors and themes.
     7. **National Priorities.** IsDB's interventions should be aligned with the national development plans and priorities to achieve better development results. In this regard, it's required to analyze Iraq's long-term development goals and medium-term objectives, national development plans, and priority development programs.
     8. **Development Partners' Engagements in Iraq.** The analysis should identify how development partners coordinate with the government and among each other. Review the assistance strategies of major development partners and their sectors/themes of focus, in addition to capturing the status and potential of coordination with other development partners. The coordination includes both alignment of interventions with existing donors and exploring resource mobilization partners.
     9. **Risk and Mitigation.** Assess possible risks to the success of the IsDB strategic and operational engagement within Iraq, evaluate their probability, and recommend mitigating measures to inform the risk management plan, which should be included in the MCPS. In particular, assess risks for issues such as debt sustainability, public financial management, governance, and Institutional capabilities.

**Methodology**

* 1. The methodology used in conducting the “Sectoral and Thematic Assessment Report” will use various sources of information, including reliable internationally published documents and reports from the Iraqi government. In summary, the methodology adopted will include:
     1. **Desk review.** a comprehensive desk review will be conducted to assess Iraq's economic, thematic, sectoral, and developmental landscape using published data and information on national, regional, and international levels. The IsDBG documents, other appraisal documents, and reports from IsDBG members will also be analyzed to supplement the findings.
     2. **Benchmark with other financiers.** Desk reviewing operations of other international agencies, such as the World Bank. This aim is to assess the Development Partners' Engagements in Iraq.
     3. **Benchmark with other similar fragile and conflict-affected countries**. Desk review of similar countries' experiences and practices.
     4. **Collecting field data (if needed)**. Gather field data from Iraq, triangulate it, and come out with a proper understanding of Iraq's real needs in priority sectors and thematic areas.

**Key Tasks and Deliverables**

* 1. The specific tasks to be performed by the consultant are the following:

1. Undertake a comprehensive review of published data and information on national, regional, and international levels.
2. Prepare/compile required information and other necessary data for all sections of the “Sectoral and Thematic Assessment Report”.
3. Develop “Economic and Sectoral Assessment Section”. Following the template in Annex (1)
4. Develop “Thematic and Development Partners Assessment Section”. Following the template in Annex (2)
5. Develop the final version of the “Sectoral and Thematic Assessment Report”. Following the template in Annex (3)
6. Prepare dissemination materials, including a two-page summary note and a comprehensive PowerPoint presentation on the “Sectoral and Thematic Assessment Report” to facilitate the dissemination of findings to different stakeholders.
   1. The main deliverables of this assignment are expected to be delivered by the consultant within the specified timeframe:

* **Phase (1):** “Economic and Sectoral Assessment Section”. Following the template in Annex (1)
* **Phase (2):** “Thematic and Development Partners Assessment Section”. Following the template in Annex (2)
* **Phase (3):** The final “Sectoral and Thematic Assessment Report” - template in Annex (3) - and two-page summary note, and a comprehensive power point presentation.

**Terms and Conditions**

* 1. The following terms and conditions apply to this ToR and will be the basis upon which the contractual agreement will be made between the IsDB and the company selected. These terms and conditions are in addition to the confidentiality clause stated above.
  2. **Duration of the Assignment**
     1. The assignment is expected to last 4 months, beginning on the day of signing the contract between the parties. The project duration may be extended upon mutual consultation and agreement between the IsDB and the Consultant.
  3. **Project Schedule**
     1. The following table reflects the schedule of the IsDB plans for the assignment. The dates shown below are only indicative and presented for planning purposes, which may be changed as required.

|  |  |  |  |
| --- | --- | --- | --- |
| S.N. | Phase | Activity | Expected Delivery Date |
| 1 | Starting date | Signing of Contract | 25/12/2022 |
| 2 | Phase (1) | “Economic and Sectoral Assessment Section” | 15/2/2023 |
| 3 | Phase (2) | “Thematic and Development Partners Assessment Section” | 1 / 4 /2023 |
| 4 | Phase (3) | The final “Sectoral and Thematic Assessment Report” | 25 / 4 /2023 |
| Two-page summary note and a comprehensive power point presentation |

* 1. **Qualifications of Key Personnel**
     1. The consultant will be an international expert with a minimum of master's degree level qualifications in Economy, Finance, Statistics, Business Administration, or a related field; with Proven skills and expertise in the following areas are essential:

1. Various Sectoral and Thematic Areas analysis
2. Working in fragile countries, preferably “Iraq”
3. Macroeconomic analysis
4. Policies, strategies, and operations of Multilateral Development Banks
5. Excellent verbal and written skills in English
6. Computer skills in word processing, data analysis, and presentations
7. Excellent writing and analytical skills.
   1. **Evaluation Criteria:**
      1. The consultant will be selected according to the individual consultant selection method. The Consultant who received the highest score in the technical evaluation (based on his/her qualification) at a reasonable fee and in the budget acceptable to IsDB will be awarded the contract. The final decision on the evaluation and award of the contract will be at the discretion of the IsDB. The following criteria will be used for the evaluation of technical proposals:

* General Qualifications 20 points
* Specific experience relevant to TOR 50 points
* Experiences in Iraq or similar countries and language 30 points

**Total 100 points**

* 1. **Payment Terms**
     1. The terms of payment will be as follows:

1. 35% upon delivery of Phase (1); – after the IsDB review process.
2. 35% upon delivery and acceptance of Phase (2) – after the IsDB review process.
3. 30% upon delivery and acceptance of Phase (3) – after the IsDB review process;
   1. **Cooperation Framework**
      1. The consultant is expected to work in close consultation with the IsDB technical team.
      2. Virtual meetings with the IsDB technical team will be held regularly to agree on deliverables and actual materials to be delivered via email;
      3. Copyright and ownership - All materials produced/ provided under this assignment will be solely owned by IsDB and will constitute the intellectual property of IsDB.
      4. In order to help the Consultant with this assignment, the IsDB will make available whatever internal documents may be necessary for producing the required products as described above.
   2. **Guidelines for the Sectoral and Thematic Assessment Report:**
      1. Data should be presented visually in easy-to-read charts, tables, graphs, and maps to demonstrate the evidence supporting conclusions and recommendations. The whole report should base its findings on generated evidence from data collection and analysis methods. Findings should either be fact-based or rely only on the opinion of experts.

**Enclosures**

Annex (1): Economic and Sectoral Assessment Section"Template"

Annex (2): Thematic and Development Partners Assessment Section "Template"

Annex (3): The Final Sectoral and Thematic Assessment Report "Template"

**Annex (1):**

**Economic and Sectoral Assessment Section"Template"**

**I - Introduction**

**II - Country Context**

2.1 Macroeconomic Overview

2.1.1 Recent Macroeconomic Trends

2.1.2 Recent Social and Political Developments

2.1.3 Economic Outlook

2.2 Sectoral Analysis

2.2.1 Agriculture and Food Security

2.2.2 Water

2.2.3 Energy

2.2.4 Health

2.2.5 Education

2.2.6 Urban Development

2.2.7 Transport

2.2.8. Information and Communication Technology

**Annex (2):**

**Thematic and Development Partners Assessment Section "Template"**

**1. Thematic Analyses**

1.1 Fragility and Resilience

1.2 Mainstreaming Climate Change and Disaster Mitigation Measures

1.3 Regional Cooperation and Integration

1.4 Partnership with Civil Society

1.5 Women & Youth Empowerment

**2. Private Sector Development**

2.1 Private Sector eco-system overview

2.2 Economic Empowerment situation (MSMEs and Financial Inclusion)

2.3 Public-Private Partnerships (PPP)

2.4 Trade Development and Financing needs

2.5 Islamic Finance

**3. Development Partners' Engagements in Iraq**

**Annex (3):**

**Final Sectoral and Thematic Assessment Report "Template"**

**Executive Summary**

**Acronyms and Abbreviations**

**I - Introduction**

**II - Country Context**

2.1 Macroeconomic Overview

2.1.1 Recent Macroeconomic Trends

2.1.2 Recent Social and Political Developments

2.1.3 Economic Outlook

2.2 Sectoral Analysis

2.2.1 Agriculture and Food Security

2.2.2 Water

2.2.3 Energy

2.2.4 Health

2.2.5 Education

2.2.6 Urban Development

2.2.7 Transport

2.2.8 Information and Communication Technology

2.3 Thematic Analyses

2.3.1 Fragility and Resilience

2.3.2 Mainstreaming Climate Change and Disaster Mitigation Measures

2.3.3 Regional Cooperation and Integration

2.3.4 Partnership with Civil Society

2.3.5 Women & Youth Empowerment

2.4 Private Sector Development

2.4.1 Private Sector eco-system overview

2.4.2 Economic Empowerment situation (MSMEs and Financial Inclusion)

2.4.3 Public-Private Partnerships (PPP)

2.4.4 Trade Development and Financing needs

2.4.5 Islamic Finance

**III. Development Partners' Engagements in Iraq**

**IV. Development Challenges and Binding Constraints**

**V. National Development Priorities**

4.2 Elements of the National Vision

4.3 National Development Strategy and implmentation progress

**VI. Risk Management and Mitigation**