



**FINAL NARRATIVE REPORT
IRFFI/UNDG IRAQ TRUST FUND (UNDG ITF)**

Participating UN Organization(s)	Sector(s)/Area(s)/Theme(s)
United Nations Industrial Development Organization (UNIDO)	Sector: AFSSOT Agriculture and Food Security Sector Outcome Team

Programme/Project Title	Programme/Project Number
Pilot Project for the rehabilitation of the dairy sector in Iraq	A5 – 13

Programme/Project Budget	Programme/Project Location
UNDG ITF: USD 4,419,154 Govt. Contribution: USD Agency Core: Other: TOTAL: USD 4,419,154	Region (s): Communities in the Lower South of Iraq Governorate(s): Al-Qadessiyah District(s): Diwaniyah

Final Programme/ Project Evaluation	Programme/Project Timeline/Duration
Evaluation Done <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Evaluation Report Attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Overall Duration 1 st January 2005 – 30 th June 2006 (54 months) Original Duration 1 st January 2005 – 30 th April 2006 (16 months) Programme/ Project Extensions Extension A: 31 January 2006 Extension B: 30 June 2007 Extension C: 31 June 2008 Extension D: 31 October 2008 Extension E: 31 December 2008

FINAL NARRATIVE REPORT

I. PURPOSE

a. Introduction

One of the Key Objectives to be addressed by the project is the rehabilitation of a dairy plant, selected following an in depth assessment of at least of the several dairies in Basra, Nasiriyah, Diwaniyah and Al Amara as models for other rehabilitation projects, thus contributing to jobs and income generation (poverty alleviation) in both agricultural and industrial sectors. As the majority of liquid milk at the moment is sourced from imported milk powder and recombined by using local water which in many cases due to the deterioration of the water distribution network due to the past conflicts and sanctions is unsafe, the restoration of Good Manufacturing Practises also will contribute to improvement of public health. The facilities of the selected plant(s) will be repaired and equipped with modern process and packaging technology based on a feasibility study and reliable business plans. Training will be provided to management and staff as well as to a group of experts to act as trainers in sustaining the project activities and disseminating the gained knowledge.

b. Project outcomes and outputs

Outcomes:

- To contribute to economic recovery and employment generation in Iraq through the rehabilitation and the development of the agro-industrial sector
- Create jobs and increase the income level of the households in the targeted communities and contribute to food safety (using clean water and heat treatment) and food quality
- Address the humanitarian needs by providing locally available and safe basic food needs
- Rehabilitation of a selected milk processing units at selected facilities
- Repair of above mentioned facilities and upgrading of the production lines
- Skills development for enterprise staff as well as public service employees and creation of a pool of trainers to sustain the project activities, and creation of capacity to replicate it in other places
- Development of community based supply chain for milk, in order to enhance the quality and quantity of milk supplied to the dairy processing industry while improving incomes generated by animal husbandry

Outputs:

- The processing facilities of the selected dairy(s) repaired are able to produce according to modern food standards
- Basic installations for energy (power, heat, air, cooling,) and the water supply system repaired or replaced
- Liquid milk and milk products line repaired and/ or renewed (from processing to packaging)
- Enterprise quality control laboratory established and equipped
- Wastewater effluent minimized and processing residues used for animal feed
- A pool of national experts created to support the upgrading of other enterprises of the sector throughout the country
- Staff skills upgraded in terms of technology and safety (personnel and product)
- Management skills upgraded in all economic aspects of managing a dairy plant

c. UN Assistance Strategy Outcomes, MDGs, Iraq NDS Priorities, ICI benchmarks relevant to the programme/project

- To contribute to economic recovery and employment generation in Iraq through the rehabilitation and the development of the agro-industrial sector
- Create jobs and increase the income level of the households in the targeted communities and contribute to food safety (using clean water and heat treatment) and food quality (vitamins, reinforcement of milk and dairy products)
- Address the humanitarian needs by providing locally available and safe basic food needs
- Rehabilitation of a selected milk processing units at selected facilities
- Upgrading of the production lines
- Skills development for enterprise staff as well as public service employees and creation of a pool of trainers to sustain the project activities, and creation of capacity to replicate it in other places
- Improving incomes generated by animal husbandry

d. Primary implementing partners and stakeholders including key beneficiaries

The line ministry will be the Ministry of Industry and Minerals in close cooperation with the Ministry of Agriculture and the Ministry of Planning and Development Cooperation

Key beneficiaries will be:

- Downstream: The population in the delivery area of the dairy. (Milk and/or milk products equivalent to 25.000 ltrs./day will be made available)
- Downstream: Vulnerable groups, as they will receive fortified products for their diet. (E.g. WFP school feed programme for around 100.000 students i.e. 25.000 ltrs./day)
- Upstream: Create absorptive capacity for upstream suppliers from existing herds (buffalo, sheep/goats and cattle)
- The project is targeting the needs of vulnerable groups. Farmers will be encouraged to increase dairy production, thus raising employment and income
- The project aims to address the humanitarian needs by providing locally available and safe basic food needs

II. ASSESSMENT OF PROGRAMME/ PROJECT RESULTS

a. Key outputs achieved:

- The processing facilities of the selected dairy repaired / replaced
- Basic installations for energy (power, heat, air, cooling,) and the water supply system repaired / replaced
- Liquid milk and milk products line renewed (from processing to packaging)
- Enterprise quality control laboratory established and equipped
- Wastewater effluent minimized
- A pool of national experts created to support the upgrading of other enterprises of the sector throughout the country
- Staff skills upgraded in terms of technology and safety (personnel and product)
- Management skills upgraded in all economic aspects of managing a dairy plant

The primary beneficiaries and how they were engaged in the programme/ project implementation?

The training of trainer programme was decided upon in the meeting of the steering committee and in total 5 courses of two weeks each was agreed upon. The approach taken allowed training of the trainers in Amman and following this training session they started training activities in the dairy plants able and willing to participate. In one-month time after the training the trainers came back for the next part of their training. By using this approach both trainer and trainees were able to create a tailor-made training approach for Iraq. Three ToT trainings held in Amman, 18 trainers trained in: Good Hygienic Practices (GHP), Good Manufacturing Practices (GMP), and Hazard Analysis Critical Control Points (HACCP) courses. In-country training of dairy staff: The trainers trained held training in several dairy plants. About 200 people received training on GHP and HACCP in Iraq. Faculty of Agriculture at Baghdad University and Sulaymaniah University have included the ToT subjects in the dairy students curriculum in these institutions. Seven Dairy Managers trained in Amman for Strategic Management for the Dairy Sector

- b. Report on how achieved outputs have contributed to the achievement of the outcomes and explain any variance in actual versus planned contributions to the outcomes. Highlight any institutional and/ or behavioural changes amongst beneficiaries at the outcome level

- c. The overall contribution of the project to the ICI, NDS, MDGs and Iraq UN Assistance Strategy.
 - To contribute to economic recovery and employment generation in Iraq through the rehabilitation and the development of the agro-industrial sector
 - Create jobs and increase the income level of the households in the targeted communities and contribute to food safety (using clean water and heat treatment) and food quality (vitamins, reinforcement of milk and dairy products)
 - Address the humanitarian needs by providing locally available and safe basic food needs
 - Rehabilitation of a selected milk processing units at selected facilities. (rehabilitation in the broader sense of making it again a viable part of the food supply chain)
 - Repair of above mentioned facilities
 - Upgrading of the production lines
 - Skills development for enterprise staff as well as public service employees and creation of a pool of trainers to sustain the project activities, and creation of capacity to replicate it in other places
 - Development of community based supply chain for milk, in order to enhance the quality and quantity of milk supplied to the dairy processing industry while improving incomes generated by animal husbandry

- d. The contribution of key partnerships including national, international, inter-UN agency, CSO or others towards achievement of programme/ project results

The line ministry was the Ministry of Industry and Minerals in close cooperation with the Ministry of Agriculture and the Ministry of Planning and Development Cooperation. The Ministries was involved in providing background information and data having a major input into project formulation and implementation.

A Project Steering Committee (PSC), composed of representatives from MIM and UNIDO, was established, which approved the Terms of Reference (TOR) for the PSC, CTA, and National Project Coordinator (NPC) as well as decided on the plant to be rehabilitated. As in other UNIDO lead projects the Project Steering Committee (PSC) had an advisory and

coordination role on the strategic and planning issues and implementation modalities. This will ensure transparency and promote ownership of the project among all the stakeholders. In addition to the CTA, the NPC and the focal points of the different ministries, the project recruits national and international short-term consultants for specific technical activities.

- e. The contribution of the project on cross-cutting issues:

Human Rights:

The project addresses the urgent need for creating employment opportunities and creation of income in both rural and urban areas, particularly within the agricultural and industrial dairy subsectors. It tackles both, the private and state enterprises and contributes to community based development by supporting the production of safe and extended shelf live products the project will support the efforts of the Government to improve the nutritional situation and increase public health in the country.

Gender Equality:

Dairies have always been equal employers for women and men. The project will ensure equal opportunities for the participation of men and women in all project phases from planning, training, capacity building and skills upgrading to the final steps of implementation.

Key Environmental Issues:

The rehabilitation will be done according to the modern food standards, which means that the environmental issues have an important role through the whole project. Environmental concerns such as the discharge of waste from processing activity will be addressed and will form a key component in the processing package offered. Waste water effluent will be minimized and processing residues used for animal feed. It will also be dealt with in detail during training sessions and subsequent follow up and monitoring of processing activity.

Employment Generation:

Several hundred workers, women and men, will find jobs in the Diwaniyah Dairy Plant. The dairy will be a partner for several thousand milk producing farmers. The project will help create jobs in several sectors related to the food producing chain, like transportation, storing, retail etc.

- f. Provide an assessment of the programme/ project based on performance indicators as per approved project document using the template in Section IV

III. EVALUATION & LESSONS LEARNED

The main problem at the start-up phase of the project was the delay in receiving funds. Instead of an estimated start-up date for project implementation of August 2004, the project could only be started in January 2005. This start-up time was not fortuitous as it was very close to the elections in Iraq, followed by a period of slow decision-making in the Government. (The second member of the Steering Committee – a representative of the Ministry of Agriculture – was nominated only in April, although the nomination had already been requested several times since January.)

Due to the ongoing privatization process, several candidates for the post of National Project Coordinator were hired by private entrepreneurs, and the pool of candidates shrank. An acceptable candidate was nominated only in mid-May 2005.

The accessibility of the project area and security concerns for project personnel constitutes major constraints, both in the past as well as for the near future.

Implementation success will depend largely on the security situation, accessibility of the project area and the related matter of equipment delivery to Iraq. In case this is possible, the project can be successfully implemented during the implementation period specified in the signed project document.

The independent end-of-project evaluation has been conducted and the draft final evaluation report was released in November 2010.

Lessons learned:

Arabic speaking experts are necessary to improve communication between representatives of the stakeholder organizations and in order to ensure the success of the training courses.

The project was taking advantage from assigning an own CTA who is also acting as CTA for the Food safety project.

During a long project, changes between different currencies (Euro/Dollar) may have dramatic effect for the project budget (loss of available funds, higher fees for contracts, higher equipment and raw material prices etc.). With an effective and well planned work plan such problems could be minimized / avoided

Changes in security situation should be taken into consideration in planning phase

IV. INDICATOR BASED PERFORMANCE ASSESSMENT

	Performance Indicators	Indicator Baselines	Planned Indicator Targets	Achieved Indicator Targets	Reasons for Variance (if any)	Source of Verification	Comments (if any)
IP Outcome 1	The pilot dairy is rehabilitated in conformity with relevant food safety and quality standards and ready for production						
IP Output 1.1 The processing facilities repaired and able to produce according to modern food standards	Indicator 1.1.1 The repaired processing area complied with HACCP standards						
	Indicator 1.1.2 Renewed processing equipment	Old processing and packaging equipment	New UHT- and milk packaging lines	New UHT- and milk packaging lines		Project reports	
IP Output 1.2	Indicator 1.2.1						
	Indicator 1.2.2						
IP Outcome 2	Consolidate and/or create jobs and increase the income level of the households in the targeted communities and contribute to food security						
IP Output 2.1 A pool of national experts created to support the upgrading of other	Indicator 2.1.1 Number of participants in training courses	0	18	18		Training reports	
	Indicator 2.1.2						

enterprises of the sector throughout the country							
IP Output 2.2 Milk producing farmers and dairy staff skills upgraded	Indicator 2.2.1 Number of participants in training courses	0	200	200		Training reports	
	Indicator 2.2.2						