



**UNITED NATIONS DEVELOPMENT GROUP**  
**IRAQ TRUST FUND**

**Iraq Trust Fund**

**ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT**

**REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2009**

***Submitted by:***

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***Country and Thematic Area:***

***Programme No:*** C10-12

***MDTF Office Atlas No:*** 72332

***Programme Title:*** Enterprise Development  
through Information and Communication  
Technology

***Participating Organization(s):***

United Nations Industrial Development  
Organization (UNIDO) - Iraq

***Implementing Partners:***

- Ministry of Industry and Minerals(line ministry), KRG Ministry of Industry and Trade, KRG Board of Investors, Erbil Chamber of Commerce, KRG Department of Information and Communications Technology, Thiqr Provincial Council, Thiqr Chamber of Commerce
- Telematic University UNINETTUNO Rome

***Programme Budget (from the Fund):***

USD 2,940,000

***Programme Duration (in months):***

Start date<sup>1</sup>: September 2009

End date: August 2011

## **I. Purpose**

The project's objective is based on the Government of Iraq's priorities as indicated in the National Development Strategy (NDS), and International Compact with Iraq (ICI) and reflected in the matrix of the UNCT's Economic Reform and Development Outcome Team (ERDSOT); namely to encourage the development of SMEs in Iraq and the creation of employment opportunities for Iraqi people.

The project aims to consolidate and reinforce the achievements of the existing UNIDO project "Enterprise Development and Investment Promotion for the SME sector in Iraq" as well as expand upon them using the existing infrastructure and trained personnel of Enterprise Development Units (EDUs) as a strategic entry point. The EDU will complement the on-line/broadcasted training and tutoring services by providing advisory services to the entrepreneurs.

**Outcome:** To promote domestic and foreign investments in the SME sector in order to create employment opportunities, generate income and alleviate poverty and contribute to accelerated economic development of Iraq.

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<sup>1</sup> The start date is the date of the first transfer of funds from the MDTF Office as Administrative Agent.

## **Key Outputs**

*Output 1:* Enterprise Development Units (EDUs) have increased capacities to deliver training modules (on-line and off-line)

*Output 2:* Enterprise Development Units (EDUs) have enhanced capacities to provide business advisory services to existing and new entrepreneurs.

## **Indicators and Targets**

### *Output 1:*

- Number of technological pole in place: 3
- Number of UNIDO training courses recorded: 4
- Number of entrepreneurs(male/female) trained on-line: 500
- Number of entrepreneurs(male/female) trained off-line: 200
- % of trainees(male/female) passing the training assessment: 80%

### *Output 2:*

- Number of counseling reports prepared: 75
- Number of mentoring visits (per EDU) conducted by technical experts to advise EDU staff: 4
- Number of EDU staff (male/female) provided with mentoring support: 15
- % EDU staff(male/female) satisfied with the quality and mentoring support: 80%
- Number of enterprises provided with business advisory services: 200
- % of enterprises satisfied with the quality of business advisory services: 80%

## **Beneficiaries**

### *Direct beneficiaries*

- **Institutions that are providing enterprise development services**

The project will enhance the capabilities of the local partner institutions in the field of enterprise development and investment promotion. Nominated officials will be trained and mentored so that they are able to replicate the project activities and increase the outreach of the project benefits.

- **SMEs and potential entrepreneurs**

The project has been designed such that the teams of trainers/counsellors from the partner institutions will conduct training of potential entrepreneurs, and provide business advisory services to them and enterprises keen on developing their business activities. The potential entrepreneurs and enterprises will benefit from the services provided by the EDUs in terms of linkage development, technology upgrades, financial access, and facilitation in legal and procedural issues to start their businesses. Altogether, 900 entrepreneurs will be trained and 450 entrepreneurs/enterprises will be counselled. It is expected that with assistance from the project, 120 enterprises will be created/expanded.

### ***Indirect beneficiaries: Unemployed***

The creation of enterprises by training and counselling on enterprise development will generate new job opportunities which will directly benefit the growing number of unemployed in Iraq.

## **II. Resources**

### *Financial Resources:*

The project has funding available by the Italian Government through the Iraq Trust Fund of 2,940,000 USD. There are not other funding available in the project, but the counterpart institutions in the project are providing contribution in kind, such as space for hosting the technological pole and staff to run the operation of the project.

Till date, no budget revision has been requested by UNIDO.

### *Human Resources:*

- **National Staff:** The project has recruited three national Secretarial Assistants and two Local Coordinators in Iraq. Additionally the Ministry of Industry & Minerals (MIM) has nominated three personnel from the Ministry to oversee and support the project activities in the governorate of Baghdad. (Counselors, trainers and tutors of the project are recruited based on a cost sharing approach with the counterparts).
- **International Staff:** The project has recruited one Project Coordinator and one Senior Consultant. SPX Expert and Investment Promotion Expert will also be recruited.

## **III. Implementation and Monitoring Arrangements**

In order to reach more beneficiaries and provide good quality training without geographical limitations the project will deliver on-line and satellite broadcast trainings in addition to providing off-line trainings and advisory services to the Iraqi entrepreneurs on market, global partnership, finance and investment. UNIDO's implementing partner International Telematic University UNINETTUNO will create the e-learning platform and adapt UNIDO training modules on business/managerial skills, investment project preparation and enterprise creation.

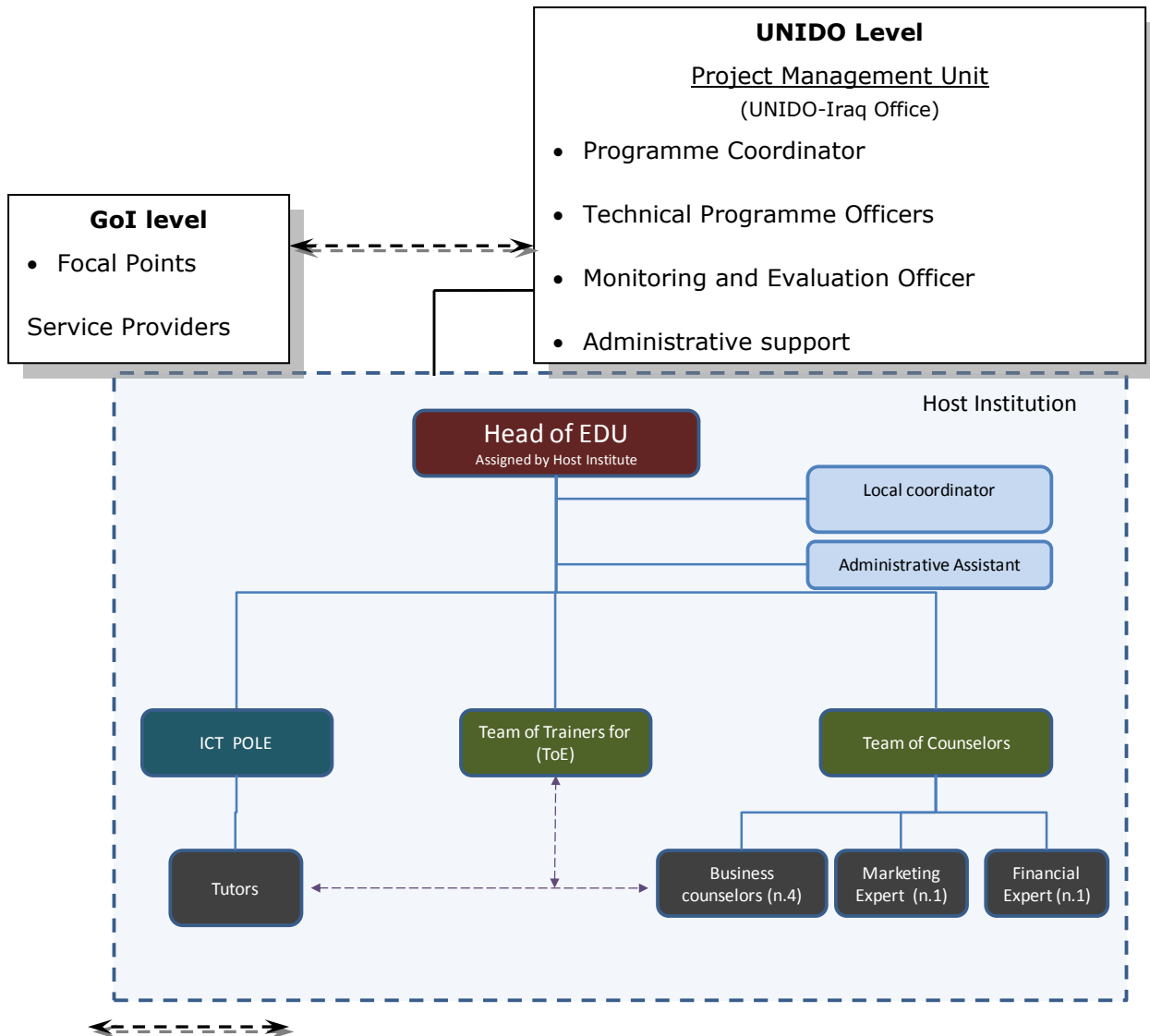
To discuss the project implementation and operational modalities, preparatory meetings took place in Amman with the counterparts from the targeted governorates: Baghdad, Erbil, Thiqr between October and December 2009 Following the meetings the focal points and possible locations for the technological poles of the project were identified.

The project will set-up technological poles in the three counterpart institutions, in the targeted governorates, where the entrepreneurs can easily access the e-learning platform and video conferencing tools to receive training, tutoring and counseling services. Please find a 3D model of the Technological Pole in [Annex 1](#). Currently, UNINETTUNO is assessing the technical needs of the locations where technological poles are going to be set up. For institutional ownership and sustainability of the project, the pole will be at the Ministry of Industry and Minerals in Baghdad, at the Ministry of Industry and Trade in Erbil, and at the Chamber of Commerce in Thiqr. In order to provide the maintenance of the technological poles, nominated Technical Staff from counterpart institutions will be trained by UNINETTUNO.

Besides the training and tutoring services provided by the e-learning platform, the EDU will provide entrepreneurs with off-line training, counseling, global partnership and investment

advisory services. The EDU will utilize the existing human capital trained by the “Enterprise Development and Investment Promotion for the SME sector in Iraq” for training and counseling services. Additionally, more counselors will be trained to meet the growing counseling services demands of the newly trained entrepreneurs. For instance, on April 11-15 2010 new counselors from KRG counterpart institutions will be trained by UNIDO Senior Consultant in Erbil.

The organizational structure for implementation is outlined below. The structure consists of two major levels: The GoI-UNIDO level, which operates and coordinates the activities through the Project Steering Committee (PSC). The second level, Implementation, has the Project Management Unit at its helm. The PMU is advised by the PSC. Please see [Annex 2](#) for a more detailed roles and responsibilities table.



**LEGEND**

- Input, Feedback and Coordination
- Authority, Implementation and Reporting

Monitoring arrangements already in place includes regular reporting, and assessment of the status of activities and budget expenditures, as per the work plan and the targets, every month. Special attention is given to the participation of the beneficiaries in the monitoring and evaluation process. After trainings and counseling sessions evaluation forms will be filled out by beneficiaries.

As part of regular reporting, the counselors provide the PMU and the Local Coordinators with Counseling Reports which include their detailed advisory services to the entrepreneurs. After reviewing the counselors' reports the Local Coordinators prepare a Counseling Status Report every month which is reviewed by the PMU. The Local Coordinator is also responsible of preparing training and activity reports. Based on these reports the PMU prepares Activity Achievement Status Report and compares the results with targets every month.

The PMU will also prepare regular six-monthly progress reports on project activities with detailed progress status, the constraints emerging over the period, and recommendations for possible solutions. All progress reports will be sent to the donor, the PSC and the national counterparts for their information, review, and recommendations.

As part of the standard monitoring activities of the organization, UNIDO staff and project consultants will make field visits to the project sites and prepare technical reports with detailed information on the project's progress, achievements, findings, and lessons learned.

During the last two months of the project, the PMU, in collaboration with its GoI counterparts, shall prepare and submit to the PSC members and to the donor an end-of-project report for their review and approval. The final report will assess, in a concise manner, the extent to which the project's scheduled activities have been carried out, the outputs produced, and the progress made towards achieving the development objectives of the project. It will also make recommendations for any future follow-up actions that may help to support the sustainability of the project.

Meetings of the PSC will be held once every year. PSC meetings will involve the participation of the Donor Country, UNIDO and Government of Iraq as well as representatives from other relevant stakeholders. At its meetings the PSC shall focus on the project's achievements and results.

#### **IV. Results**

In the reporting period, the activities took place as per the work plan. Major activities undertaken during the period September-December 2009 include signature of contract with UNINETTUNO, preparatory meetings with counterpart institutions, identification of Focal Points and technological pole locations. Currently UNINETTUNO is carrying out an initial assessment of the technical conditions at the locations where technological poles will be set-up.

UNINETTUNO has also submitted detailed TOR with the training plan. The analysis and review of UNIDO educational material, EDIP and SPX contents, and relative adaptation to UNINETTUNO learning model is being overviewed by the Project Manager to create the most efficient adaptation.

In order to increase capacities of the EDUs to provide business advisory services as per the second output, UNIDO consultants have been constantly mentoring institutional partners

operating in the existing Enterprise Development Units (EDUs) as counselors. Number of EDU staff who is provided with constant mentoring support is already 19, exceeding the target.

The counselors have been providing support to the entrepreneurs on procedural/ legal requirements, market information, technology, finance etc. During the reporting period more than 50 counseling reports were prepared and approved.

### **Major cooperation achieved:**

Due to the computer illiteracy in KRG, the PMU is seeking possible cooperation with the KRG Department of Information and Technology which is being considered to provide basic IT training to the entrepreneurs prior to their training at the technological poles.

### **V. Future Work Plan**

The major activities for the following reporting period include the following:

- Evaluation of UNIDO training contents of EDIP and SPX;
- Selection of contents for web platform ;
- Realization of 3 technological poles and relative testing and commissioning;
- Capacity building of 12 experts to become video teachers;
- Training of tutors and specialized technical staff operating in the technological poles;
- Course production;
- Adaptation of UNIDO-UNINETTUNO e-learning platform.

Additionally, to meet the growing demands of the entrepreneurs, new counselors will be trained. The Kick-off meeting and Steering Committee meeting will take place in June 2010.

### **VI. Abbreviations and Acronyms**

**EDU:** Enterprise Development Unit

**GoI:** Government of Iraq

**PSC:** Project Steering Committee

**PMU:** Project Management Unit

**SME:** Small and Medium size Enterprises

**SPX:** Subcontracting and Partnership Exchange

## Annex 1: Technological Pole Model



## Annex 2: Roles and responsibilities matrix

Role	Responsibilities
<b>Programme Manager</b>	<ul style="list-style-type: none"><li>• Responsible for overall project implementation and supervision.</li><li>• Make all decisions regarding staff recruitment, contractual agreements, technical assistance, backstopping and procurement</li><li>• Oversee monitoring and reporting.</li></ul>
<b>Programme Coordinator</b>	<ul style="list-style-type: none"><li>• Responsible for overall project implementation in the field.</li><li>• Provide project management advice to the project team.</li><li>• Monitor the field activities in all the three governorates.</li><li>• Liaise with government/ international institutions/ donor on project related issues.</li></ul>
<b>Local project coordinator</b>	<ul style="list-style-type: none"><li>• Liaise with local institutions on behalf of the</li></ul>



	<p>project.</p> <ul style="list-style-type: none"> <li>• Support and guide the team of trainers/ counsellors in their respective government.</li> <li>• Support the head of the EDU in his day to day management of EDU.</li> <li>• Responsible for timely implementation of the project activities in the governorate.</li> <li>• Support in implementation of the upgrading plans of the enterprises.</li> <li>• Regular reporting of the project activities to the PMU.</li> </ul>
<b>Head of the EDU</b>	<ul style="list-style-type: none"> <li>• Oversee the promotional activities of the ToE, the training of entrepreneurs, counselling services provided to the entrepreneurs.</li> <li>• Day to day management of the EDU.</li> </ul>
<b>Team of trainers for enterprise creation</b>	<ul style="list-style-type: none"> <li>• Promotion of the Training of entrepreneurs in their respective governorates.</li> <li>• Identify and select entrepreneurs for training.</li> <li>• Prepare the training schedules.</li> <li>• Organize the training course.</li> <li>• Provide training inputs.</li> </ul>
<b>Team of business counsellors</b>	<ul style="list-style-type: none"> <li>• Provide business advisory services for the entrepreneurs graduating from the Training of entrepreneurs ( both online and offline)</li> <li>• Provide assistance to the counselled entrepreneurs in developing financial linkages, market access, technology tie-ups, and support in administrative &amp; legal procedures.</li> <li>• Regular follow-up with the counselled</li> </ul>

	entrepreneurs.
<b>Team of Tutors</b>	<ul style="list-style-type: none"> <li>• Provide tutoring support to the entrepreneurs enrolled in the online courses.</li> <li>• Monitor and evaluate the performance of the online course participants.</li> <li>• Facilitate in receiving business advisory services from EDU business counsellors.</li> </ul>
<b>SPX and Investment promotion experts</b>	<ul style="list-style-type: none"> <li>• Advise and formulate the SPX Promotion Programme. Establish coordination and leverage ITPO assistance in respective markets.</li> <li>• Provide partnership support in match-making between buyers and suppliers.</li> <li>• Train and facilitate local SMEs on using benchmarking methodology for self assessment.</li> <li>• Prepare Company Project Profiles ( CPP) for local Iraqi companies interested in international partnership.</li> <li>• Facilitate participation of local industry in International fairs and exhibitions.</li> <li>• Facilitate in the negotiation process between local Iraqi companies and international companies.</li> </ul>
<b>Secretarial Assistant</b>	<ul style="list-style-type: none"> <li>• Manage all the logistics activities related to the enterprise development trainings</li> <li>• Perform administrative and accounts related work for the Unit according to UNIDO procedures.</li> <li>• Create and update a database of contact information of the people related to the project activities.</li> <li>• Facilitate the mission of project staff in counselling activities.</li> </ul>

