



IRFFI/UNDG IRAQ TRUST FUND (UNDG ITF)

ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT

REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2009

Submitted by:

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of the United Nations
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Country and Thematic Area:

Iraq Agriculture, food security, environment
and natural resources management

Project No. and Project Title:

A5-22
Support for Job Creation and Self
Employment through Promotion of Micro-
Industries in Anbar Governorate of Iraq

Participating UN Organization:

Food and Agriculture Organization of the UN
(FAO) – Lead Executing Agency
United Nations Industrial Development
Organization (UNIDO) – Collaborating Agency

List Implementing Partners:

- MOA –Ministry of Agriculture
- MOLSA - Ministry of Labor and Social
Affairs
- MOPDC – Ministry of Planning
Development and Cooperation
- MOI – Ministry of Industry
- Anbar Governor’s Office

Project Budget:

FAO: \$ 2,111,832
UNIDO: \$ 2,117,832

Programme Duration:

Start date: December 2007

End date: May 2008

First Extension: up to 31 December 2009

Second Extension: up to 31 July 2010

I. PURPOSE

Main objectives, outcomes and outputs of the project

Main Objectives

- Provide targeted communities with the capacity to plan and manage their development activities and restore a functional base for economic growth and social peace.
- Improve the livelihood of approximately 1,400 people living in the project area by strengthening their productive capacities in post-harvest and other income-generating activities. This will be achieved through trainings in vocational training centres (VTCs) which will be rehabilitated and equipped.
- Enable a large number of youth who have been deprived (as a result of the conflict) to gain basic knowledge in productive skills through practical experiences and activity-based learning and provision of tools to start their own business.

Outputs

- Enhanced capacities at the community level in support of socio-economic growth and peaceful coexistence (MDG 1, 3) by creating an environment for productive self employment.
- Creation of productive employment through training and provision of tools in the manufacturing of food and non-food products (micro-industries MDG 1, 3 and 5) for individuals and organized producer groups. Training centre will train 1 000 trainees per year in metal works, wool cutting, agro-mechanic and food processing (dairy, biscuits, noodles, vegetable oil, dates etc.)
- A minimum of 1 400 people (50 percent female) provided with marketable skills to enable them to obtain jobs and/or start-up an economic activity to sustain livelihoods for themselves and their families (MDG 1, 3) during the project period.
- Of the total beneficiaries, 500 unemployed youth deprived of basic knowledge and training shall be enrolled in project training programmes (food and non-food technologies), enabling them to establish employment and self-employment.

Explain how the programme/project relates to the Strategic (UN) Planning Framework guiding the operations of the Fund.

The project was designed within the framework of the Joint UN-Iraq Assistance Strategy 2006-2007. Specifically, this project is housed within Cluster A of the framework with special focus on the following goals: (i) support economic and human development; and (ii) assist in the provision of basic services and promotion of community development participation. This project is related to these two strategic UN planning framework goals for Iraq through the training of beneficiaries in food and non-food related activities. To further encourage economic and human development, beneficiaries are provided with toolkits to encourage self-employment. Furthermore, to promote the empowerment of women, this project strives to include women in all project activities and decision-making.

In addition, the activities of this project will contribute to the attainment of the following MDG Goals:

Goal 1: *“Eradicate extreme poverty and hunger.*

Goal 3: *“Promote gender equality and empower women*

The project will also indirectly contribute MDG Goals (2, 4, 5 and 7) through its capacity building/training interventions and improvement of the food security situation.

II. Resources

Financial Resources

Provide information on other funding resources available to the project if applicable.

Government of Iraq provided USD300 000 of in-kind support.

Provide details on any budget revisions approved by the appropriate decision-making body, if applicable.

During the reporting period of January 1 to December 31, 2009 a request for the movement of funds between project budget components together with a request for extension up to 31/07/10 was submitted to SCSO in November 2009.

Provide information on good practices and constraints to the mechanism of the financial process, times to get transfers, identification of potential bottlenecks, need for better coordination, etc.

The collaboration between FAO-UNIDO and the counterpart ministries offers the opportunity for all the partners to pool their complementary expertise for efficient utilization of the financial resources. Complementary technical expertise between the two agencies is parallel with their commitment to improve administrative efficiency and lower operational costs of project implementation. So far there has been no constraint to the financial process.

Human Resources

National Staff: Provide details on the number and type (Operation/Programme)

There was 4 full-time and 2 part-time/temporary staff employed by the project until September 2009. The day-to-day organization of field staff is conducted by the National Project Coordinator (NPC) who is supported by one National Project Officer (NPO), one Finance Assistant (FA), one Project Clerk (PC), and 2 temporary Civil Engineers to supervise VTC rehabilitation works. Since September 2009 only 3 full-time and one part time staff have been employed.

Under the direction and guidance of the NPC, the NPO work in the field on all aspects of the project, while the FA and the PC provide logistic support. Key operational activities include; beneficiary identification and selection support to training sessions, procurement, archiving, inventory, distribution, monitoring of activities, reporting, and activity design and implementation.

International Staff: Provide details on the number and type (Operation/Programme)

FAO-Iraq has one international Project Officer (PO). The PO together with its counterpart in UNIDO is responsible of the daily management of all activities related to this project. The international PO is housed in the Project Management Unit based at the FAO-Iraq Office in Amman, Jordan. Both FAO and UNIDO provide further operational and technical backstopping from their headquarters in Rome and Vienna, respectively, as needed.

III. Implementation and Monitoring Arrangements

Summarize the implementation mechanisms primarily utilized and how they are adapted to achieve maximum impact given the operating context.

This project is jointly implemented by FAO and UNIDO. This collaboration offers the opportunity for both UN agencies to pool their complementary expertise for the attainment of project objectives. To promote national ownership, FAO and UNIDO work in collaboration mainly with the Ministry of Agriculture (MoA) and Ministry of Labour and Social Affairs in Iraq. Both ministries have so far contributed substantial in-kind support in the form of training facilities and staff. In addition, they continue to support extension services related to this project.

Based on the assessment study, the project defined its work plan. The first steps of implementation included the training of trainers, the rehabilitation of vocational training facilities and the procurement of training equipment. Once the training facilities were established and trainers satisfactorily trained, the training of local beneficiaries commenced and is still continuing. As the training of local beneficiaries is completed, they are provided with toolkits to encourage self-employment.

Provide details on the procurement procedures utilized and explain variances in standard procedures.

The standard FAO/UNIDO procurement procedures were followed for this project. The procurement is done through a process that follows the sequence: preparation of technical

specifications → ministry endorsement → selection of supplier through tender/bidding process → ministry endorsement → purchase order → shipment and delivery → inspection → installation/or distribution → training. Technical specifications were prepared by FAO and UNIDO in consultation with their counterpart ministries. In addition, the process in itself provided the ministerial staff opportunity to enhance their capacities in the international procurement procedures.

Provide details on the monitoring system(s) that are being used and how you identify and incorporate lessons learned into the ongoing project.

In order to assess the progress of project activities, in-house financial and narrative progress reports are used on a regular basis. One such report is a monthly field activity report to follow-up on the project activities in relation to the work plan. Another report is a monthly report provided by the financial department of the Iraq offices of both UN agencies detailing the expenditure of project funds. The Project Management Unit (PMU) with offices in Amman, Jordan evaluates these reports along with other reports to monitor and assess the progress of projects.

To enhance the monitoring of the project, given the remote-management set-up from Amman for as far as international FAO and UNIDO staff is concerned, there is a constant flow of information through telephone calls and e-mails. In addition, periodic visits to Amman are done by national project staff based in Anbar and the Government of Iraq counterparts to attend Project Steering Committee (PSC) meetings (at least once every six months) and Project Review Meetings (when deemed necessary). These meetings provide a monitoring function to discuss the progress of the project, make any amendments necessary and incorporate lessons learned necessary to bring forth the successful implementation of the project. During the reporting period of January 1 to December 31st, 2009, the 3rd and 4th PSC meetings were held. These two meetings provided monitoring functions such as beneficiary selection assessment, VTC identification and rehabilitation, ToT and ToB planning, and description of methodology for establishment of producer groups. The PSC meetings also have a responsibility to incorporate lessons learned from the relevant technical projects as well as the members' own field of expertise.

Reports on any assessments, evaluations or studies undertaken

A Rapid Area Assessment was completed during the previous year with the active participation of the GoI counterpart ministries and the implementing agencies was heavily utilized in the planning of the project, the identification and targeting of agro-economic activities, project beneficiary grouping and for the selection and promotion of micro-industries. This needs assessment has been complimented by a number of targeted market based and demand-side surveys which has allowed the project management to ensure that there are strong synergies between the activities of the project, the market demand of industries and enterprises, and the development priorities of the government.

A technical economic assessment in the target project areas has been planned for the establishment of producer groups. This assessment is expected to be completed in early 2010. Once the producer groups and other micro-industry activities have been established they will be linked with the most economical funding mechanism in the project area.

IV. Results

Provide a summary of project progress in relation to planned outcomes and outputs; explain variances in achieved versus planned outputs during the reporting period.

The planned development goal of this project is to improve the socio-economic conditions of the population in the project area through community empowerment and rehabilitation of the livelihood and productive capacities in the Anbar governorate. Particularly, it was planned that the livelihood of 1,400 households will be improved as a result of training in income generating activities and the provision of tools to encourage self-employment.

During the reporting period, suitable training programs for food and non-food activities have been identified and Training of Beneficiary (ToB) material printed. Training of Trainers (ToT) for food based activities have all been completed and training for non-food related activities is underway. Appropriate rehabilitation of a training center for food related activities has been completed and rehabilitation for non-food related activities is in process. Training of Beneficiaries for the food sector has started following the completion of the training centre and is well underway. The best specifications for equipments has been completed and procurement done. There is some equipment yet to be delivered.

Report on key outputs achieved in the reporting period including # and nature of the activities (inputs), % of completion and beneficiaries.

Key outputs are as follows:

Training of Trainers (ToT)

The entire planned ToT for food activities has been completed during the reporting period by providing training to 25 MoA officials: 6 in beekeeping, 5 in date processing, 5 in fruits and vegetable processing, 3 in tahina production, and 6 in milk and dairy processing. All these training courses took place in Amman and conducted by the Agricultural Engineering Association; except beekeeping, which was conducted by National Center for Agricultural Research and Training. All the ToTs took place from February 28, 2009 to May 12, 2009. A Business management training planned for December 2009 for 8 staff (5 MoA + 3 MOLSA) has been postponed till early 2010 due to delay in nominations of participants by the relevant ministries. All food related activities is 100% complete. Non-food related activities is in progress.

The assessment of the trainers for the non-food activities has been finalized by the project and endorsed by MOLSA. Candidates that are assessed to be dynamic and technically proficient will be sent out of country for more advanced training in technical and vocational skills areas. Agreement between the training institutions and UNIDO has been finalized to complete the planned ToT by October 2009.

Training of beneficiaries (ToB):

It was identified that the ToB for food related activities will be done in beekeeping, fruits and vegetable processing, date processing, sesame and tahina production, and milk and dairy processing. ToB for non-food related activities will be done for carpentry/joinery,

agro/auto mechanics, sewing/tailoring, refrigeration/coolant systems, generator/pump repair, and mobile phone maintenance and irrigation/sprinkler repair.

The beneficiary identification for training in food- and non-food activities has been completed. The initial list included 1,014 trainees for food and 1,207 for non food, which through a screening process has been reduced to 800 for food and 800 for non food. At present the project has targeted 1,400 beneficiaries (700 food and 700 non food). The training plan for food activities has been prepared. Most ToB equipment has arrived during the reporting period, rest is to follow.

During the reporting period 61% of the planned food ToB has been completed. In total 493 beneficiaries have been trained in food activities such as; 200 in processing of fruits and vegetables, 178 in beekeeping and honey processing and 115 in date processing. There is a delay in beneficiary training for dairy processing as equipment has not yet been fully delivered yet.

Producer Groups (PGs)

To date the establishment of PGs for food related activities is 30% complete. During the reporting period, the number of PG's against each food activity was identified. Relevant information to select 8 PGs (2 each for fruits and vegetables, beekeeping, sesame processing and date processing) has been gathered through the PG survey forms. The selection criteria are based on the size of current business, suitability of location and available equipment, current revenue generation, employment, rehabilitation cost and experience of the association to run the business.

The establishment of non-food PGs is currently in its planning phase. For non food PGs, MOLSA staff would be involved in the selection process to use PG activity as a mechanism to integrate Phase 1 ToTs that were not selected for phase II training. This approach would allow the project to utilize the human assets it has invested in. A technical economic assessment in the target project areas has been planned for the establishment of PGs. ToR of the assessment includes the identification of high potential workshops and detailed enterprise survey. Once the PGs and other micro-industry activities have been established they will be linked with the most economical funding mechanism in the project area.

Rehabilitation of Vocational Training Centers

Rehabilitation of the food VTC has been completed along with installation of the equipment during the reporting period. The construction work was completed in three months from March to May 2009 under the supervision of a civil engineer recruited by FAO supported by two civil engineers from the MoA. Design, drawings and bills of quantities for construction works for the VTC were prepared jointly by MoA and FAO. The construction has been done through a contractor, who was selected through a tender process. The VTC has been refurbished with new furniture and office equipment, and with installation of 8 split air conditioners. However, installation of the dairy processing equipment is pending delivery of the equipment. Two MoA officials have been trained in Holland by the equipment supplier in installation, operation and maintenance of the dairy processing equipment.

Concerning the rehabilitation of VTC for non-food related activities, after serious constraints bringing about some delays, a building belonging to MOLSA in Ramadi has been identified for the non food ToB training. The design drawings and BOQ for the rehabilitation of the building have been completed. The contract has been awarded by UNIDO and construction is under process.

Preparation of technical manuals

During the reporting period 6 technical manuals were prepared, printed and delivered to the field staff for distribution among beneficiaries. The manuals were prepared by FAO for date processing, beekeeping and honey processing, fruits and vegetable processing, dairy processing and sesame processing and tahina production. Apart from distribution of above technical manuals in Arabic, 330 copies of various manuals on food processing in English (procured through international tender) were also handed over to the DoA/Anbar for use by the trainers and VTC staff.

Procurement

Procurement of equipment for VTC, producer groups, and toolkits for individual beneficiaries for food and non-food has been completed, and most of the equipment has been delivered. For the VTC, only the dairy processing equipment has yet to be received. Otherwise, all the procured equipment for the food processing VTC has been received, installed and put to daily use during ToB courses. The procurement plan with current status is described in the table below.

Activity/Food	Number of equipment	Procurement status	Delivery status	Installation/ Distribution status
Food Activities				
VTC date	1	Completed	Completed	In process
VTC beekeeping	1	Completed	Completed	completed
VTC fruits & vegetables	1	Completed	Completed	In process
VTC dairy	1	Completed	Completed	
VTC: cold storage unit	1	Completed	Completed*	In process
Beneficiary toolkits: date	200	Completed	Completed	In process
Beneficiary toolkits: beekeeping	200	Completed	Completed	In process
Beneficiary toolkits: fruits and vegetables	200	Completed	Completed	In process
Beneficiary toolkits: dairy	200	Completed	Completed	
Producer groups: date	2	Completed	Completed	
Producer groups: beekeeping	2	Completed	Completed	
Producer groups: fruits and vegetables	2	Completed	Completed	
Vehicle (Toyota pickup)	1	Completed	Completed	completed

* During the shipment some parts of the cold storage unit were damaged, which are being replaced by the supplier/insurance company.

Activity/Non-food	Number of equipment	Procurement status	Delivery status	Installation/ Distribution status
Non-Food Activities				
VTC Sewing	20	Completed	Completed	In process
PG Sewing	1	Completed	Completed	In process
Beneficiary toolkits Sewing	90	Completed	Completed	In process
Extra Beneficiary toolkits Sewing	260	In process	In process	In process
VTC Mobile	18	Completed	In process	In process
PG Mobile	20	Completed	In process	In process
Beneficiary toolkits Mobile	80	Completed	In process	In process
VTC Air-condition	5	Completed	In process	In process
Beneficiary toolkits Air-condition	50	Completed	In process	In process
VTC Generator and Pumps	1	Completed	In process	In process
Beneficiary toolkits Generator and Pumps	80	Completed	In process	In process
VTC Carpentry	30	Completed	Completed	In process
PG Carpentry	2	Completed	Completed	In process
Beneficiary toolkits	80	Completed	Completed	In process
VTC IT		Completed	In process	In process

Explain if relevant, delays in programme implementation, the nature of the constraints, actions taken to mitigate future delays and lessons learned in the process.

The project started in December 2007 in Ninewa Governorate. However, a security campaign that came with the increased militarization of Mosul, brought about severe limitations of movement throughout the governorate territory. This led to a lack of quality planning information and serious delays and postponements in setting up project activities. To mitigate this problem, the project was moved from Ninewa to Anbar. This move was approved on 19 June 2008. In undergoing such a move, this project was delayed by a few months. Starting in mid 2009, the prevailing insecurity throughout the Anbar governorate has also caused some delays and inhibited the movement of trainers and beneficiaries. a first project extension was requested and approved until 31 December 2009, while a second extension has been approved till 31 July 2010.

List the key partnerships and collaborations, and explain how such relationships impact on the achievement of results.

The main collaboration is between FAO and UNIDO in joint implementation of this project. FAO is the Lead Executing Agency for this project and is directly involved in the implementation of all food processing activities. As the collaborating agency, UNIDO is in charge of the non-food processing activities. The headquarters of both agency coordinate and conduct the procurement of any items needed for the successfully completion of the project. Complementary technical expertise between the two agencies is parallel with their commitment to improve administrative efficiency and lower operational costs of project implementation.

This project is being implemented in close collaboration with MoA, MoLSA, MoP and Anbar governor's office and their national partners. This partnership has contributed to more efficient achievement of the project goals and an increased sense of ownership.

Other highlights and cross-cutting issues pertinent to the results being reported on.

Gender

Women constitute a substantial proportion of the poor. Despite given pronounced cultural and religious views in the governorate, women are being encouraged to participate in project activities and in the leadership positions in producer groups and associations established by the project.

Environment

Technologies and work processes are designed to have minimal impact on the environment. The project promotes technologies that do not adversely affect the environment of the targeted project areas. Technologies employed are relevant, appropriate, and environmentally sustainable.

Employment Generation

Following the training of beneficiaries, the project provides them with toolkits to encourage self-employment. The establishment of Producer Groups will contribute to employment generation.

By developing and strengthening its linkages with other FAO/UNIDO programmes in the central region of the country, the project has generated important 'spill-over effects' and continues to act as a magnet to attract additional and complimentary investments from the private sector. These investments are contributing to the expansion of opportunities in the governorate.

Social/Trust Building in Conflict Areas

The village elders, community leaders, district and sub-district officials, mayors of cities and the beneficiaries through their associations continue to participating in the selection of beneficiaries. In addition, throughout the process, these stakeholders were involved in the identification of VTC locations and decisions on the kind of income generating activities that are implemented. These steps have ensured that there is active community participation to enhance trust which is essential in the implementation of the project.

V. Future Work Plan

The following chart on the next page provides an overview of the most recent revisions and activity adjustments approved during the last PSC meeting held in Amman, Jordan on 15-16 September 2009. During that meeting the PSC agreed upon a number of action items to help facilitate the unfolding of project activities. Over the coming months, focus will be on the remaining beneficiary training, installation of dairy processing equipment in the VTC, business management training, distribution of toolkits among the beneficiaries, establishing Producer Groups, monitoring of beneficiaries, trainers and producer groups, and project evaluation.

VTCs	Vocational Training Centers
TOT	Training of Trainers
TOB	Training of Beneficiaries
PG	Producer Group