



**United Nations Development Group, International Trust Fund  
ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT**

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

***Submitted by:***

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***Country and Thematic Area***

Iraq  
Economic Reform and Diversification

***Programme No:*** E4-19

***MDTF Office Atlas No:*** 712 28

***Programme Title:***

Rehabilitation of the Specialized Institute for  
Engineering Industries

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

UNIDO

***Implementing Partners:***

- Ministry of Industry and Minerals
- Specialized Institute for Engineering Industries

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

\$4,237,722 + \$600,000 Govt. Contribution (in kind)

***Programme Duration (in months):*** 24 months

Start date: 1 July 2009

End date: 30 June 2011

## **I. Purpose**

The present project intends to assist Iraq in its endeavors for the reconstruction of its economic infrastructure. It will particularly provide support for the rehabilitation of the Specialized Institute for Engineering Industries (SIEI), which due to the war and subsequent sanctions has suffered extensive damage, including the total or partial destruction of its laboratories and production workshops. The successive conflicts have also hindered its technical capacities and access to new information on modern technologies, international standards and quality assurance systems.

Under this project, assistance will be provided to rebuild the capacity of the SIEI to assist the Iraqi industries with the application of national standards and adaptation of international standards to their needs, to carry out proper quality assurance activities and testing of industrial products and to seek international recognition of its competence through accreditation. The project will particularly provide assistance in:

- Training a substantial number of SIEI managerial and technical staff on standardization, quality assurance, and conformity assessment (testing, inspection and certification) subjects;
- Acquiring appropriate instrumentation, equipment and reference materials for its testing/calibration laboratories and production workshop; and
- Initiating testing and other product quality assurance activities for the local manufacturing industry, service sector and consumers.

The project will include significant emphasis on technology transfer related to operational techniques, procedures and policies issues.

### **Project outcomes:**

- Enhanced capacity of the SIEI/Ministry of Industry to respond to the needs of the manufacturing industry, service sector and consumers and facilitate industrial development in Iraq.
- Industry has access to improved services that would enable precision manufacture and quality improvement of their products.

The project relates to the following Strategic (UN) Planning Framework guiding the operations of the Fund:

### **National Development Strategy:**

- Pillar One: Strengthening the Foundations of Economic Growth.
- Pillar Two: Revitalize the private sector particularly through the creation of an enabling environment.

## **International Compact for Iraq:**

- Economic Reform Goal (4.3): Create an enabling environment for investment, public and private, domestic and foreign, as a driver for sustainable and diversified economic growth and job creation; create the conditions for maximizing the benefits from foreign aid and investment and integration into the global economies. More specifically, the project will contribute to the Goal (4.3.4) - Regional and International Economic Integration

## **Sector Team Outcome(s):**

- Outcome 1: Improved policies, strategies and related institutional developments that is sensitive to the MDG's, social inclusiveness, gender equality and pro-poor economic growth.

## **II. Resources**

### *Financial Resources:*

- The project is solely financed through the Fund: \$4,237,722. The Government is providing an in-kind contribution estimated to \$600,000.
- No budget revisions have been made.
- Funds are received timely and the transfer mechanisms to the project area as well as the procurement procedures are appropriate.

### *Human Resources:*

- National Staff:
  - 1 National Project Coordinator
  - 2 administrative support staff (logistics and driver)
  - Short-term consultants (1 mechanical engineer)
- International Staff:
  - 1 Chief Technical Advisor
  - Short-term consultants (1 mechanical engineer + 1 laboratory equipment specialist + 1 expert in metrology and quality + 1 expert in non-destructive testing)

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

UNIDO has overall responsibility for implementation of the project and the appropriate use of the funds allocated. Four entities are involved in the project's implementation: (1) UNIDO headquarters, (2) the UNIDO Iraq Office in Jordan, (3) Ministry of Industry and (4) the Specialized Institute for Engineering Industries. A system of close collaboration has been built between the entities with frequent exchange of information about the project's aims and objectives, i.e. outcomes of project assessments, the recommended equipment to be purchased, building renovation works to be done and capacity building to be organized.

Monitoring of the activities is done through regular Programme Steering Committee meetings, regular reporting by the national field staff and frequent interaction with the two lead ministries, Ministry of Industry and Minerals and the Specialized Institute for Engineering Industries. In addition meetings are held regularly with the national field staff.

#### IV. Results

<b>Output 1: A comprehensive framework developed for the SIEI to support the development of the industries in Iraq through the provision of technical and information support, quality assurance and conformity assessment services (testing, inspection, certification, etc.).</b>			
<b>Activity No.:</b>	<b>Description</b>	<b>Status</b>	<b>Reflections/Comments</b>
1.1	Evaluate, review and update the policies and procedures that address the operation of the SIEI and its related activities and services (testing & calibration, product certification, import/export inspection, product design, training, etc.).	Ongoing	<ul style="list-style-type: none"> <li>Review of the current operational policy and procedures that address the operation of the SIEI ongoing.</li> <li>Preliminary results presented to the SIEI management.</li> </ul>
1.2	Review and update the legal and regulatory framework covering the institutional setting and the mandate of SIEI, to fit the international best practice.	Ongoing	<ul style="list-style-type: none"> <li>Review of the legal and regulatory framework of SIEI on going.</li> <li>Preliminary results presented to the SIEI management.</li> </ul>
1.3	Conduct a sensitization/awareness programme for representatives of SIEI/MoI, the public and private sector, and structures cooperating with SIEI (Central Organization for Standardization and Quality Control - COSQC, etc.) on the role of standardization and conformity assessment in the compliance of local products with international standards and market requirements and protection of consumers from sub-standard products.	Ongoing	Sensitization/awareness programme defined
1.4	Conduct a specific training programme for the SIEI/MoI, representatives of Central Organization for Standardization and Quality Control (COSQC), and the private sector, on the development of national and international standards, adaptation of international standards to local needs, and inspection and certification of industrial products and systems.	Ongoing	Training programme defined and the first training is planned to take place in the second quarter of 2010.
1.5	Evaluate the internal and external communication policies of SIEI and develop recommendations to generate better understanding of the institute's objectives throughout the Iraqi industries.	Ongoing	Initiated the review of the internal and external communication policies of SIEI.
1.6	Develop publicity material (promotional brochures, web pages, etc.) aimed at increasing SIEI services visibility among industries and consumers.	Ongoing	Issued the SIEI technical brochure describing its services both in English and Arabic.
1.7	Monitor the framework developed and take corrective measures.	Continuous	A continuous monitoring system is in place to track project activity progress

**Output 2: The managerial and technical staff of the SIEI has the knowledge and skills necessary to meet the needs of the manufacturing industry, service sector and consumers.**

Activity No.:	Description	Status	Reflections/Comments
2.1	Confirm the SIEI human resources skill gaps in the light of the project purpose, and plan the overall training program for the identified gaps.	Complete	SIEI human resources skills gap analyzed and overall training program identified for both management and technical subjects.
2.2	Organize the training program for the SIEI Quality Department: <ul style="list-style-type: none"> <li>▪ Development and implementation of QMS and EMS (ISO 9001 and ISO14001) and auditing procedures;</li> <li>▪ Water treatment and pollution control;</li> <li>▪ Materials testing and analysis</li> <li>▪ Modern measurement techniques;</li> <li>▪ Testing of electrical components and motors;</li> <li>▪ Calibration of measuring instruments/equipment; and</li> <li>▪ Inspection and certification of selected products/services.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Overall training program for the SIEI Quality Department defined, including potential training institutes.</li> <li>• First awareness/training program on ISO 9001 and ISO 14001 planned in April 2010.</li> </ul>
2.3	Organize the training program for the SIEI Production Department: <ul style="list-style-type: none"> <li>▪ Heat treatment;</li> <li>▪ Advanced welding technology;</li> <li>▪ General industrial maintenance; and</li> <li>▪ Production workshop management.</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Overall training program for the SIEI Production Department defined, including potential training institutes.</li> <li>• First training programme on advanced welding technology planned in April 2010.</li> </ul>
2.4	Organize the training program for the SIEI Economy Department: <ul style="list-style-type: none"> <li>▪ Project management;</li> <li>▪ Preparing business plans;</li> <li>▪ Preparing feasibility studies; and</li> <li>▪ Network administration.</li> </ul>	Complete	<ul style="list-style-type: none"> <li>• Overall training program for the SIEI Executive Management defined, including potential training institutes.</li> <li>• First training program on “Management for success” organized with the participation of 6 SIEI Executive Managers.</li> </ul>
2.5	Monitor the training program and take corrective measures.	Ongoing	A continuous monitoring system is in place to track project activity progress

**Output 3: The SIEI laboratories, production workshop and information facilities are rehabilitated to adequately respond to the demands of the manufacturing industry, service sector and consumers.**

Activity No.:	Description	Status	Reflections/Comments
3.1	Assess the SIEI existing laboratories/production workshop and identify equipment and training needs.	Complete	<ul style="list-style-type: none"> <li>• Assessment of the SIEI existing laboratories/production workshop finalized.</li> <li>• Equipment, software and related training needed identified.</li> </ul>
3.2	Design technical specifications for identified equipment gaps (together with reference materials/spare parts).	Ongoing	<ul style="list-style-type: none"> <li>• Technical specifications for identified equipment under process.</li> <li>• Technical specifications of the laboratories design under process.</li> </ul>
3.3	Order, purchase and install the equipment and train the users for operation and maintenance in the: <ul style="list-style-type: none"> <li>▪ Laboratory for materials and metallurgical products testing;</li> <li>▪ Laboratory for electrical products testing;</li> <li>▪ Laboratory for engines testing;</li> <li>▪ Laboratory for plastics and rubber testing;</li> <li>▪ Production and maintenance workshop/Metrology laboratory</li> <li>▪ Network – IT</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Metrology lab equipment identified/tech. specs under development.</li> <li>• NDT laboratory equipment identified /tech. specs under development.</li> <li>• IT equipment identified/tech. specs under development.</li> </ul>
3.4	Plan and organize study tour/fellowship training overseas for key laboratory staff.	Ongoing	<ul style="list-style-type: none"> <li>• First study tour to Engineering and industrial products testing companies in Germany carry-out</li> <li>• Other study tour/fellowship training planned as part of the equipment procurement process</li> </ul>
3.5	Assist in preparing for and obtaining international accreditation for the laboratories.	Ongoing	<ul style="list-style-type: none"> <li>• Selected the mechanical and the chemical labs for accreditation.</li> <li>• Discussion with potential service providers' ongoing.</li> </ul>
3.6	Assess the SIEI library needs in terms of office equipment & software, periodic/books and management.	Ongoing	<ul style="list-style-type: none"> <li>• Upgrading needs of the SIEI library identified.</li> <li>• Proposal for upgrading the library presented to, and approved by the SIEI management</li> </ul>

3.7	Assemble a library of current national and international periodicals and test reports to provide background information for the SIEI and their partners or consumers.	Ongoing	Compilation of library source list currently underway
3.8	Continuously supervise and advise on the use of supplied equipment/laboratories.	To be undertaken upon delivery of equipment	N/A
3.9	Monitor the operation of SIEI and adjust if necessary.	Continuous	N/A

## **V. Future Work Plan**

The main activities to be carried out during 2010 are the following:

- Endorsement of the policies and procedures that address the operation of the SIEI and its related activities and services;
- Ordering, purchasing and installation of laboratories testing and production workshop equipment, including training on equipment operation and maintenance;
- Define a roadmap to accreditation for two of the SIEI laboratories;
- Conducting several managerial, executive and technical training programmes;
- Rehabilitating the SIEI library.

## VI. Performance Indicators (optional)

Outcome 1	Enhanced capacity of the SIEI/Ministry of Industry to respond to the needs of the manufacturing industry, service sector and consumers and facilitate industrial development in Iraq.			<b>NDS / ICI Priorities:</b> Strengthening the foundations of economic growth; Revitalize the private sector particularly through the creation of an enabling environment.			
Outputs	UN Agency Specific Output	UN Agency	Partner	Indicator(s)	Source of Data	Baseline Data	Indicator target
<p><u>Output 1.1:</u></p> <p>A comprehensive framework developed for the SIEI to support the development of the industries in Iraq through the provision of technical and information support, quality assurance and conformity assessment services (testing, inspection, certification, etc.).</p>	<p><u>1.1.1</u></p> <p>A clear policy and legal framework is defined for the role of the SIEI as a leading institute for technical support, quality assurance, and conformity assessment services in Iraq.</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• SIEI policy and legal framework agreed upon by all stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and legal regulatory framework texts.</li> </ul>	<ul style="list-style-type: none"> <li>• Existing legal/policy framework.</li> </ul>	<ul style="list-style-type: none"> <li>• SIEI policy and legal framework agreed upon by all stakeholders.</li> </ul>
	<p><u>1.1.2</u></p> <p>SIEI managerial and technical staff comprehends the international developments in standardization, quality assurance, and conformity assessment services.</p>	UNIDO	MoI SIEI COSQC	<ul style="list-style-type: none"> <li>• Number of SIEI technical and managerial staff trained on standardization, quality assurance and conformity assessment matters.</li> </ul>	<ul style="list-style-type: none"> <li>• Training reports</li> <li>• Progress reports</li> <li>• M&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>• Data on current level of understanding /awareness on standardization and quality assurance services among managerial and tech. staff (no. of courses conducted, staff attitude towards quality &amp; standards, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• 10 engineers</li> <li>• 5 managerial staff</li> </ul>
	<p><u>1.1.3</u></p> <p>The role and services of the SIEI promoted among the Iraqi industries.</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• Nr. of promotional materials developed</li> </ul>	<ul style="list-style-type: none"> <li>• Brochures and other promotional materials</li> </ul>	<ul style="list-style-type: none"> <li>• Existing promotional materials</li> </ul>	<ul style="list-style-type: none"> <li>• Promotional materials developed</li> </ul>

<p><u>Output 1.2:</u> The managerial and technical staff of the SIEI has acquired the knowledge and skills necessary to meet the needs of the manufacturing industry, service sector and consumers.</p>	<p><u>1.2.1</u> A comprehensive training programme for enhancing the knowledge and skills of the SIEI managerial and technical staff is defined.</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• Training programme defined</li> </ul>	<ul style="list-style-type: none"> <li>• Progress reports</li> <li>• SIEI records</li> <li>• M&amp;E</li> </ul>	<ul style="list-style-type: none"> <li>• Existing training framework</li> </ul>	<ul style="list-style-type: none"> <li>• Training programme on: <ul style="list-style-type: none"> <li>- Quality</li> <li>- Production</li> <li>- Mgmt.</li> </ul> </li> </ul>
	<p><u>1.2.2</u> A number of the SIEI Quality Department engineers acquire the knowledge and skills in the fields of standardization, quality management, and conformity assessment services (testing and material analysis, inspection, certific., etc.).</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• Number of SIEI staff trained</li> <li>• Level of expertise achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Training reports</li> <li>• Progress reports</li> <li>• SIEI records</li> <li>• M&amp;E</li> </ul>	-	<ul style="list-style-type: none"> <li>• 12 engineers from SIEI Quality Department</li> </ul>
	<p><u>1.2.1</u> A number of the SIEI Production Department engineers acquire the knowledge and skills in the fields of heat treatment, modern welding technologies, general industrial maintenance, and production workshop management, etc.</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• Number of SIEI staff trained</li> <li>• Level of expertise achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Training reports</li> <li>• Progress reports</li> <li>• SIEI records</li> <li>• M&amp;E</li> </ul>	-	<ul style="list-style-type: none"> <li>• 8 engineers from SIEI Production Department</li> </ul>
	<p><u>1.2.2</u> A number of the SIEI Management Department engineers acquire the knowledge and skills in the fields of project management; preparing business plans and feasibility studies; network adminis., etc.</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• Number of SIEI staff trained</li> <li>• Level of expertise achieved</li> </ul>	<ul style="list-style-type: none"> <li>• Training reports</li> <li>• Progress reports</li> <li>• SIEI records</li> <li>• M&amp;E</li> </ul>	-	<ul style="list-style-type: none"> <li>• 8 engineers from SIEI Management Department</li> </ul>

Outcome 2	Industry has access to improved services that would enable precision manufacture and quality improvement of their products.				<b>NDS / ICI Priorities:</b> Strengthening the foundations of economic growth; Revitalize the private sector particularly through the creation of an enabling environment.		
Outputs	UN Agency Specific Output	UN Agency	Partner	Indicators	Source of Data	Baseline Data	Indicator Target
<p><u>Output 2.1:</u></p> <p>The SIEI laboratories, production workshop and library are rehabilitated to adequately respond to the demands of the manufacturing industry, service sector and consumers.</p>	<p><u>2.1.1</u> Gap analysis of SIEI capabilities and services conducted, including a detailed assessment of the equipment and training needs, and laboratory/production workshop/library set-up.</p>	UNIDO	MoI  SIEI	<ul style="list-style-type: none"> <li>• Clear definition of equipment specifications</li> <li>• Clear definition of training programmes for laboratory/production workshop staff</li> </ul>	<ul style="list-style-type: none"> <li>• Technical specifications report</li> <li>• Training reports</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory of existing equipment, tools, instruments, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Technical specifications and training programmes defined from requirements</li> </ul>
	<p><u>2.1.2</u> The SIEI has the required equipment and facilities to provide testing and calibration services to the manufacturing industry, service sector and consumers, and to ensure consumer and domestic market protection against sub-standard goods.</p>	UNIDO	MoI  SIEI	<ul style="list-style-type: none"> <li>• Equipment procured</li> <li>• Increased number of products and materials tested</li> <li>• Number of testing and calibration laboratories made operational that are offering services to the industry</li> <li>• Increased number of companies using the services of rehabilitated laboratories</li> </ul>	<ul style="list-style-type: none"> <li>• Technical Specifications</li> <li>• Purchase orders</li> <li>• Tender Documents</li> </ul>	<ul style="list-style-type: none"> <li>• Inventory of existing equipment, tools, instruments, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Laboratories equipped and operational</li> </ul>
	<p><u>2.1.3</u> Testing services of SIEI laboratories are internationally accredited.</p>	UNIDO	MoI  SIEI	<ul style="list-style-type: none"> <li>• Reduced product rejections</li> <li>• Increased cross border trading</li> <li>• Laboratory services inter. accredited</li> </ul>	<ul style="list-style-type: none"> <li>• Accreditation certificates and laboratory audit reports</li> </ul>	-	<ul style="list-style-type: none"> <li>• 1-2 laboratories accredited</li> </ul>

<p><u>Output 2.1:</u></p> <p>The SIEI laboratories, production workshop and library are rehabilitated to adequately respond to the demands of the manufacturing industry, service sector and consumers.</p>	<p><u>2.1.4</u> The SIEI production workshop is rehabilitated and equipped with proper mechanical tools and machines, comprising maintenance activities.</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• Production workshop facilities and equipment are functional</li> <li>• Increased number of engineering undergraduates trained</li> <li>• Maintenance activities commence</li> </ul>	<ul style="list-style-type: none"> <li>• Production and maintenance reports</li> </ul>	-	<ul style="list-style-type: none"> <li>• Production workshop for facilities and equipment</li> </ul>
	<p><u>2.1.5</u> The library of the SIEI is rehabilitated and provided with up-to-date facilities, engineering and technical periodicals and books, test reports, etc. to serve the information needs of the local industries.</p>	UNIDO	MoI SIEI	<ul style="list-style-type: none"> <li>• Library facilities and infrastructure are functional</li> <li>• Availability of librarians/library staff</li> <li>• Availability of appropriate and relevant books and other materials</li> <li>• Increased interest in the library services/number of customers using the library services</li> </ul>	<ul style="list-style-type: none"> <li>• Library lending reports</li> <li>• Library inventory</li> <li>• Staff reports</li> </ul>	<ul style="list-style-type: none"> <li>• Current library inventory</li> </ul>	<ul style="list-style-type: none"> <li>• Library facilities</li> </ul>

## **VII. Abbreviations and Acronyms**

SIEI	Specialized Institute for Engineering Industries
M&E	Monitoring and evaluation
MOI	Ministry of Industry and Minerals
MOPDC	Ministry of Planning and Development Cooperation
PSC	Programme Steering Committee
UNDG ITF	United nations Development Group International Fund
UNIDO	United Nations Industrial Development Organization