

United Nations Development Group Iraq Trust Fund
Project #: A5-28
Date and Quarter Updated: July – September 2010 (Quarter 3)

Participating UN Organisation: UNIDO Sector: Agriculture and Food Security
Government of Iraq – Responsible Line Ministry: Ministry of Planning (Responsible Line Ministry) and the Ministry of Industry (Implementing Partner)

Title	Technology Acquisition to Re-start and Generate Economic Transformation (TARGET)				
Geographic Location	Fallujah, Anbar Governorate				
Project Cost	\$2,979,000 (excluding \$300,000 contribution expected from the Private Sector)				
Duration	24 months				
Approval Date	4 Dec 2008	Starting Date	9 Dec 2008	Completion Date	9 Dec 2010 (extension approved till 31 December 2011)
Project Description	<p>In Anbar, conflict and insecurity has had a profound impact on most of the socio-economic activities of the Governorate. Among others, the conflict has severely affected the agricultural input supply networks, the agro-industrial capacity, the local agro-commodity markets, the financing mechanisms, and the livelihoods of communities involved in these sectors.</p> <p>The proposed project "TARGET" has been designed to empower conflict affected communities through the revitalization of productive capacities in selected areas of the Anbar governorate (both rural and urban). Project activities will strengthen the livelihood recovery process by rehabilitating/revitalizing selected agro-processing enterprises and other assets in the governorate. To accomplish this, the project will work with its GoI counterpart ministries to develop a techno-economic profile of existing agro-industrial assets in the governorate, identify a number of agro-processing and agro-infrastructure that will be revitalized, and support other auxiliary income-generating opportunities that will help to mutually reinforce agro-economic empowerment and community reconstruction and development in project targeted areas.</p>				

Development Goal and Immediate Objectives

In line with the international, national and UN Country Team strategies for Iraq, the TARGET project is working towards the achievement of the following medium term outcomes:

1. Enhanced capacity of the Ministry of Planning and the Ministry of Industry to implement and monitor programmes for the rehabilitation/revitalization of the agro-industrial sector.
2. 50 to 75 rehabilitated/revitalized agro-enterprises (SME's), generating estimated 500 - 750 jobs.
3. Strengthened livelihood recovery for approximately 750 households in rural areas through appropriate technology transfers and promotion of non-farm income-generating activities.

Outputs, Key activities and Procurement

Outputs	<ul style="list-style-type: none"> • The development of a participatory and comprehensive action plan for the rehabilitation and revitalization of agro-enterprises and agro-infrastructure assets in directly-affected conflict areas of Fallujah. • Project targeted agro-SMEs are rehabilitated and revitalized in selected areas of Fallujah (50 to 75 agro-enterprises). • Income and employment rates in conflict affected project targeted sub/districts are increased through the promotion and development of sustainable micro- and small agro-related industries (750 households for an estimated population of 4500).
Activities	<p>Core TARGET activities are the following:</p> <ul style="list-style-type: none"> • Techno-economic assessment of conflict-affected agro-industrial infrastructure and enterprises that will play an important and strategic role in re-starting commercial and economic revitalization in project targeted areas. • Development of a comprehensive rehabilitation/revitalization work/action plan and capacity development of Government of Iraq officials to assist in the implementation and monitoring of this plan. • Rehabilitation of selected agro-industrial enterprises, infrastructure, and other assets necessary to raise productive capacity and improve community level commerce. • Support to vulnerable rural communities in terms of organization, skills development and technology transfer to raise their income-generation opportunities. • Organize and implement a variety of technical, entrepreneurship, and policy-related training and skills upgrading sessions for project targeted beneficiaries.

	<ul style="list-style-type: none"> Procure equipment and other tools for installation or transfer to project participating enterprises, training service providers, beneficiaries, and entrepreneurs. Development and provision of an enterprise development, market intelligence, and business mentoring/coaching programme to assist and sustain agro-industrial productivity gains. Monitor project and activity impact associated with TARGET interventions.
Procurement (major items)	Procurement focuses on: <ul style="list-style-type: none"> Equipment for Metal Working, Carpentry/Joinery, Agro/Auto-Mechanic, Textile/Garment making and Air Conditioning/Refrigeration/Coolant Toolkits for Sewing, Mechanics, Welding, Carpentry and Air Conditioning/Refrigeration/Coolant Rehabilitation work at enterprises Capacity building courses for members of GOI, local authorities and beneficiaries

Funds Committed	USD 1,332,823	% of approved	45
Funds Disbursed	USD 304,344	% of approved	14
Forecast final date	31 December 2011	Delay (months)	12

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	500	-
Women	250	-
Youth	N/A	
IDPs	N/A	
Others	750 households	-
Indirect beneficiaries	TBD	-
Employment generation (men/women)	750	-

Quantitative achievements against objectives and results

1	Enhanced capacity of the Ministry of Planning and the Ministry of Industry to implement and monitor programmes for the rehabilitation/revitalization of the agro-industrial sector.	% of planned	40
2	50 to 75 rehabilitated/revitalized agro-enterprises (SME's) generating estimated 500 - 750 jobs.	% of planned	50
3	Strengthened livelihood recovery for approximately 750 households in rural areas through appropriate technology transfers and promotion of non-farm income-generating activities.	% of planned	20

Qualitative achievements against objectives and results

Activity	Results
Output 1: A comprehensive Action Plan for the Rehabilitation of Directly Affected Agro-Industries is Prepared and Agreed Upon All Stakeholders	
1.1 Finalize the technical assessment of the agro-industrial sector in Fallujah	◆ 250 SME's were surveyed
1.2 Needs assessment to strengthen institutional support mechanisms	◆ In progress
1.3 Prepare comprehensive proposals for the rehabilitation of conflict-affected enterprises: Interventions, workshop layouts, technical specifications and budgetary details	◆ Selection completed: 76 SME's were selected for support ◆ Specifications for interventions have been tendered
1.4 Conduct technical and participatory workshops with stakeholders to present the proposals and strategic and priority enterprises to be rehabilitated	◆ Done
1.5 Establish a PSC involving the main counterparts to provide strategic direction and oversight on the unfolding of project activities	◆ The PSC was established and regular meetings are held
1.6 Provide required training for nationals to supervise and advice on rehabilitation/revitalization	◆ Advice to MOI, MoPDC and local authorities is continuously being provided
1.7 Prepare a work plan for rehabilitation and revitalization activities	◆ Done
1.8 Assist the MOI and the MoPDC to implement policy	◆ Advice to MOI, MoP and local authorities is

decisions leading towards effective post-conflict rehabilitation/revitalization of the agro-industrial sector	continuously being provided
Output 2: A number of agro-SME's rehabilitated in the communities of Fallujah, Anbar Governorate	
2.1 Confirm planned interventions with project-selected agro-enterprises	◆ Done
2.2 Finalize contract negotiations and legal/financial arrangements for the work to be conducted and the equipment to be installed	◆ Done
2.3 Finalize engineering designs, technical specifications and procure equipment and tools	◆ Done
2.4 Initiate rehabilitation and remedial construction at project-targeted sites	◆ In progress
2.5 Repair damaged equipment and install and commission new machines and product lines	◆ To be done upon equipment delivery
2.6 Plan and conduct employee training on newly procured and serviced equipment, tools and production lines	◆ To be done upon equipment delivery
2.7 Provide assistance for the development of business plans and enterprise development and management training	◆ To be done upon equipment delivery
2.8 Provide technical assistance to agro-enterprises, linkages to markets, research and financial institutions etc.	◆ To be done upon equipment delivery
2.9 Monitoring, evaluation and corrective measures and adjustments	◆ Ongoing/continuous
Output 3: Sources of Income and Employment for Men and Women in Conflict-Affected Communities is Increased Through the Promotion of Sustainable Micro and Small Agro-Industries	
3.1 Confirm the needs in conflict-affected rural areas and develop livelihoods recovery interventions	◆ Done
3.2 Plan conduct project sensitization workshops in project targeted communities	◆ Done
3.3 Finalize the identification and selection of project beneficiaries	◆ Done
3.4 Based upon activity 3.1 identify the required inputs/technologies	◆ Done
3.5 Finalize specifications, tender documentation and procure project inputs	◆ Done
3.6 Plan and organize the training programmes associated with identified inputs/technologies, basic entrepreneurship-training etc.	◆ In progress
3.7 Distribute/provide start-up capital in terms of equipment to financing facilities for beneficiaries to assist in the sustainability and growth of a viable micro and small industries/agro-enterprises sector	◆ In progress
3.8 Monitor equipment/technology utilization rates, processing/production practices, product quality and hygiene control measures etc.	◆ In progress
3.9 Encourage the start-up and registration of newly established and revitalized enterprises	◆ To be done upon final training
3.10 Provide mentoring support to project targeted agro-enterprises	◆ To be done
3.11 Monitor impact of the project interventions on productivity, income, employment opportunities and corrective measures	◆ To be done

Main implementation constrains & challenges

Fallujah is a very challenging and politicized operating environment. The PMU and Field Coordinator are working to establish trust in the project area. This is a slow process and will likely take some time to gain higher levels of credibility.

Movement and activities in the project area limited and security is a concern at all times.

Based on the above, it is likely that the project will require an additional 9 months to complete all planned activities, including an independent evaluation and the formulation of an exist strategy.