

United Nations Development Group Iraq Trust Fund
Project #: A5-28
Date and Quarter Updated: October – December 2010 (Quarter 4)

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 – 12 month’s extension approved by SC on 7 th November 2010				
Approval Date (SC)	4 December 2008	Starting Date	9 December 2008	Completion Date	Original: 9 December 2010 Extension : 31 December 2010
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
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	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. • 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)	<p>Procurement focuses on:</p> <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 1,649,261	% of approved	55
Funds Disbursed	USD 589,270	% of approved	20
Forecast final date	31 December 2011	Delay (months)	N/A

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	500	140 - 28%
Women	250	100 - 40%
Youth	N/A	-
IDPs	N/A	-
Others	750 households	133 - 18%
Indirect beneficiaries	TBD	200
Employment generation (men/women)	750	50 - 7%

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	60%
2	50 to 75 rehabilitated/revitalized agro-enterprises (SME's), generating estimated 500 - 750 jobs.	% of planned	60%
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	30%

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 <ul style="list-style-type: none"> ○ 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 <ul style="list-style-type: none"> ○ The authorities are closely involved in all aspects pertaining to e.g. receiving and distributing equipment, selection of enterprises to be supported, the forms of enterprise support to be provided, selection and approval of trainees etc.
1.7 Prepare a work plan for rehabilitation and revitalization activities	♦ Done
1.8 Assist the MOI and the MoPDC to implement policy decisions leading towards effective post-conflict rehabilitation/revitalization of the agro-industrial sector	♦ Advice to MOI, MoP and local authorities is 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 <ul style="list-style-type: none"> ○ Entrepreneurs signed their agreement for the equipment to be provided ○ Likewise, entrepreneurs have been closely involved in and agreed to the rehabilitation work to be done to their workshops
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 <ul style="list-style-type: none"> ○ Negotiations with prospective contractors are in progress
2.5 Repair damaged equipment and install	♦ To be done upon equipment delivery

	and commission new machines and product lines	
2.6	Plan and conduct employee training on newly procured and serviced equipment, tools and production lines	<ul style="list-style-type: none"> ◆ To be done upon equipment delivery <ul style="list-style-type: none"> ○ The equipment has been procured and deliveries from the US, UK, Netherlands, Germany, Lebanon, India, Singapore and China are in progress
2.7	Provide assistance for the development of business plans and enterprise development and management training	<ul style="list-style-type: none"> ◆ To be done upon equipment delivery
2.8	Provide technical assistance to agro-enterprises, linkages to markets, research and financial institutions etc.	<ul style="list-style-type: none"> ◆ To be done upon equipment delivery
2.9	Monitoring, evaluation and corrective measures and adjustments	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ Done <ul style="list-style-type: none"> ○ Re 3.3 and 3.6 below beneficiaries have been selected from among the poor sections of the population and training takes place in poor sections as well as in Fallujah city
3.2	Plan conduct project sensitization workshops in project targeted communities	<ul style="list-style-type: none"> ◆ Done <ul style="list-style-type: none"> ○ Re 3.3 a local radio station was engaged and announcements placed in connection with popular radio programs
3.3	Finalize the identification and selection of project beneficiaries	<ul style="list-style-type: none"> ◆ Done <ul style="list-style-type: none"> ○ Identification and selection of beneficiaries involved radio announcements and placement of banners in key locations to attract people interested in the project's training activities; formal application; and selection based on a scorecard system
3.4	Based upon activity 3.1 identify the required inputs/technologies	<ul style="list-style-type: none"> ◆ Done
3.5	Finalize specifications, tender documentation and procure project inputs	<ul style="list-style-type: none"> ◆ Done
3.6	Plan and organize the training programmes associated with identified inputs/technologies, basic entrepreneurship-training etc.	<ul style="list-style-type: none"> ◆ In progress <ul style="list-style-type: none"> ○ Basic skills training in 5 trades, i.e. air conditioning/cooling, welding/fabrication, auto/agro-mechanics, woodwork and sewing/tailoring is offered ○ The training is ongoing

<p>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</p>	<ul style="list-style-type: none"> ◆ In progress <ul style="list-style-type: none"> ○ Related to the training described under 3.6 basic start-up equipment is being provided to the beneficiaries for assistance in finding wage employment or move into self-employment ○ Assistance to beneficiaries seeking to establish themselves as self-employed are provided. Likewise, follow-up monitoring of the self-employed is done
<p>3.8 Monitor equipment/technology utilization rates, processing/production practices, product quality and hygiene control measures etc.</p>	<ul style="list-style-type: none"> ◆ In progress
<p>3.9 Encourage the start-up and registration of newly established and revitalized enterprises</p>	<ul style="list-style-type: none"> ◆ To be done upon final training
<p>3.10 Provide mentoring support to project targeted agro-enterprises</p>	<ul style="list-style-type: none"> ◆ To be done
<p>3.11 Monitor impact of the project interventions on productivity, income, employment opportunities and corrective measures</p>	<ul style="list-style-type: none"> ◆ 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.