



**IRFFI/UNDG IRAQ TRUST FUND (UNDG ITF)
ANNUAL PROGRAMME PROGRESS REPORT FOR PROJECT
REPORTING PERIOD 1 JULY –31 DECEMBER 2010**

Submitted by:

FAO – Food and Agriculture Organization of the UN
Dr. Fadel El-Zubi
Head, Food and Agriculture Organization of United Nations
Tel: 00962-6-556 2550/1
Fax: 00962-6-556 2553
email: fao-irq@faoiraq.org

Country and Thematic Area

Agriculture, Food Security, Environment and Natural Resources Management

Programme No: A5-32

Programme Title: Iraq Agricultural Growth and Employment Support Project (I-AGES)

Participating Organization(s)

Food and Agriculture Organization of the UN

Implementation Partners:

Ministry of Agriculture (MOA)

Project Budget (from the Fund):

US\$ 5,000,000

Project Duration (in months): 36 months

Start date: 1 July 2010
End date: 30 June 2013



I. Purpose

The purpose of the I-AGES project is to create an enabling environment that maximizes agricultural growth/diversification and employment generation in support of poverty reduction and food security. This will be achieved by removing binding constraints to growth at the policy, institutional and agrarian systems level through the strengthening of public sector investment, and by providing greater space for the private sector in this most important economic area.

Main outcome:

- Enhanced production and productivity in the agricultural sector

Main outputs are:

- Improved knowledge and evidence base for the development of national agricultural policy and strategy,
- Formulate and implement the National Agriculture Policy,
- Formulate and implement the National Agricultural Investment strategy in line with national priorities.

The immediate objective of this project is to:

- Undertake urgent analytical and diagnostic work.

This project was formulated within the UN Assistance Strategy for Iraq framework following the work plan outlined in the strategy to increase food security in Iraq through agriculture and food assistance. Specifically, this project contributes to outcome 1, “enhanced production and productivity in the agriculture sector”. This project continues to contribute to the above by:

- Strengthening policy formulation, planning and budgeting capacities;
- Introducing conservation measures and best practice to conserve water;
- Introducing higher value crops to address the reduction in cultivated land;
- Address the dependence on imported agricultural products;
- Animal husbandry will need to become a declining function of growth;
- Aligning incentives to generate sustainable economic growth;
- Create jobs to address public sector right sizing and rural unemployment; and
- Reform agricultural finance, investment and markets to promote enhanced production and productivity.

In addition, The I-AGES project will pursue the attainment of three core millennium development goals (i) Goal (1): Eradicate extreme Poverty and Hunger (ii) Goal (7): Ensure Environmental



Sustainability (iii) Goal (8): Develop a global partnership for development through this project. Goal (1) will be delivered through the development of a national agricultural policy aimed at broad-based growth, economic diversification and short and long term employment generation. Goal (7) will be pursued through environmental conservation and improved watershed and irrigation management practices. Goal (8) will be achieved through linking FAO and UN agency engagements within Iraq (including the PSD and I-PSM projects), to support global-national partnership.

II. Resources

Financial Resources:

No other funding resources are currently available for this project.

No budgetary revisions have been made.

There were no constraints in the mechanism of the financial process.

Human Resources

One National Staff (Project Assistant) is responsible for providing administrative and occasional technical support to the project.

One International Project Manager (Chief Technical Adviser) is stationed in Amman, Jordan, and is responsible for overall project management. The Project Manager takes regular trips to Baghdad.

III. Implementation and Monitoring Arrangement

FAO is the logical agency within the UN system to lead the implementation of the I-AGES. The Government of Iraq is partnering with FAO to assist in the delivery of five world class research pieces in Phase 1. Specific implementing partners include the Ministry of Agriculture, the Ministry of Planning (CSO) and the Ministry of Water Resources. Other Ministries are included in the implementation forums; the Inter Ministerial Task Force and the National Agricultural Policy Working Group. These have been designed as a forum to conduct stakeholder management and drive the project forward. Other implementation partners include the International Labor Organization and the Iraqi Institute for Economic Reform.

Wider stakeholders are being included in the project through quarterly stakeholder management meetings which will be chaired by the Ministry of Agriculture. In addition to this, ongoing extraordinary meetings are being held with relevant donor agencies where required to facilitate stakeholder management and the delivery of relevant data. These include the Australian Agency for International Development and the United States Department for Agriculture.



FAO standard procurement procedures have been applied without variance to procure services from the International Labour Organisation and the Iraqi Institute for Economic Reform. The procurement procedure followed was:

- Identification of inputs or services required undertaken jointly by FAO and the Iraqi MoA;
- Preparation of detailed specifications, BoQ, drawings, delivery time and destination undertaken by FAO and the Iraqi Line Ministry and endorsed by the latter;
- List of local potential suppliers/contractors provided and endorsed by the Iraqi Line Ministry to be included by FAO in its invitations to bid;
- Tenders launched by FAO inviting local and international potential suppliers;
- Technical review of the offers received and preparation of recommendation carried out jointly by FAO/Iraqi Line Ministry and endorsed by the latter;
- Purchase Orders or Contracts issued by FAO.

FAO will monitor the project following its own monitoring and evaluation guidelines and procedures, as described below. The Project Manager is submitting Monthly Reports to the Project Director. These reports outline the progress, delays and risks to the project, including necessary actions to mitigate risks. In addition to that, there will be quarterly review meetings of the Project Steering Committee, at which each participating agency will present progress reports to the group. The Project Committee will:

- Track implementation of activities,
- Identify risks and provide contingency action,
- Ensure that technical support is provided as necessary.
- Review financial progress based on the financial statements provided by FAO
- FAO Project Manager will submit the quarterly fiche.

FAO will prepare and submit quarterly reports to the Project Steering Committee Chair. The report will cover the following:

- Follow up on progress in the implementation of all project activities as outlined in the project annual plans of action,
- Identify any delays in project implementation and recommend corrective action needed,
- Review quarterly financial reports for each of the project activities.

Final Project Evaluation: During the second half of the last year of the project, an external project evaluation will be conducted to make an overall assessment of project results.



FAO will be responsible for managing the evaluation process in line with FAO’s corporate guidelines on evaluation.

Reporting will be in accordance with UNDG ITF rules and regulations in addition to agencies rules and regulations. Accordingly, all financial reports, annual narrative progress reports, quarterly fiches, and project completion report will be prepared by FAO and directly submitted to the MDTF office.

FAO will also be responsible for any reporting required by the Project Steering Committee, including quarterly and annual progress and financial reports to the PSC.

IV. Results

Progress was made during the reporting period in the five diagnostic studies which will inform the development of a National Agricultural Policy and Investment Strategy. Strong progress was made on the research pieces which employ mainly secondary data such as the value chain analysis and the growth diagnostics. Progress on the other studies was related to preparatory work in questionnaire design and sampling methodologies and the development of training materials.

Primary research and training was delayed due to the strong capacity strengthening component and national ownership structure of the project. The project requires significant input from the Government of Iraq, especially MoA. This input was not forthcoming during the reporting period which delayed the first meeting of the Inter Ministerial Task Force, the implementation of primary research and capacity strengthening.

- Inception Phase: Establish Teams, TOR finalized
- Identify Drivers of Growth
- Design Labor Market Survey- Train and assist 9-10 MoA/COSIT/NAP-WG staff in labor market survey design
- Train Survey Teams- Train and assist 9-10 MoA/COSIT/ staff (same as above staff) in survey design and indicators collection
- Assess Value Chains to Identify Major Areas of Enhanced Economic Return

Outputs	Measurable Indicators	Means of Verification	Achieved Indicator Targets
Output 1	Recruitment of Project Manager and Project	Staff	100%



Inception Phase: Establish Teams, ToR finalized	Assistant		
	Development of Terms of Reference for Inter-Ministerial Task Force, National Agricultural Policy Working Group and Policy and Strategy Support Unit	Terms of Reference	100%
	Develop materials for first meeting of Inter-Ministerial Task Force	Presentation materials, background documents	100%
	Develop Terms of Reference for diagnostic studies	Terms of Reference	100%
Output 2 Identify drivers of growth	Collect data required for growth diagnostics	Growth diagnostics database	100%
	Conduct growth diagnostics	Growth diagnostic report	70%
	Develop sampling methodology for investment climate assessment	Sampling methodology	100%
	Develop questionnaire for investment climate assessment	Questionnaire	100%
	Develop strategic relationships for investment climate assessment	Meetings with World Bank, Central Statistical Office etc.	100%
	Identify partners for implementation of investment climate assessment	List of potential investment climate assessment enumerators	100%
Output 3 Design labour market survey	Research design drafted	Research design	100%
	Train MoA staff in labour market research design	Training Report	0%
Output 4 Train survey teams	Train MoA staff in indicator design	Training Report	0%
	Train MoA staff in data collection	Training report/	0%
	Develop training materials	Training materials	100%
Output 3 Assess value chains to identify areas of enhanced economic return	Collation of existing value chains	Value chain database	100%
	Identification of which value chain to investigate	Inter Ministerial Task Force Meeting/Value Chain Report	65%
	Primary value chain research and delivery of policy recommendations	Value chain report	10%

The lack of input to I-AGES from the Ministry of Agriculture has delayed implementation. This was the result of the delay in the formation of the new Government following elections in 2010.



As MoA is the key Ministry in I-AGES, this has delayed technical, capacity strengthening and stakeholder components of the project. Technical work has progressed to the point where further progression may risk alienating MoA once they come on board. The participation of MoA is also required for key decisions to be made and the exploitation of their expertise.

As MoA's Policy and Strategy Support Unit is delegated to undertake much of the research and receive training, capacity strengthening activities have been limited. The Inter-Ministerial Task Force Meeting, which will officially establish a National Agricultural Policy Working Group and assist in stakeholder management, has been delayed by MoA's lack of input into I-AGES. FAO is working to ensure MoA's input into I-AGES.

While MoA's input is being sought, work is progressing in other areas to ensure that risks are mitigated. Particular successes in this area include agreeing on a sampling methodology with CSO and obtaining their consent to conduct the sampling exercise using newly collected business census data.

In line with the Paris Declaration, I-AGES will be managed directly by the Minister's Office within the MoA, supported by an Inter-Ministerial Task Force (with other core Ministries including Water Resources, Trade, Industry, Labour and Social Affairs, Planning and Development Cooperation, and Finance), a National Agriculture Policy Working Group and a Policy and Strategy Support Unit to be established and coordinated by FAO..

Partnerships have been developed with the International Labor Organization to undertake the Labor Survey, and the Iraqi Institute for Economic Reform, to undertake the Trade Volume Analysis. Including these institutions will bring technical and country specific expertise to I-AGES.

Key partnerships have also been developed with donor agencies to align I-AGES with ongoing and pipeline projects. This includes, the World Bank's Investment Climate Assessment, AusAID's agriculture program, the United States Department of Agriculture's program and the UN's I-PSM and PSDP-I. This will allow for I-AGES to work in sync with other programs to assist in the conduct of the diagnostic and policy development stages of I-AGES.

The PSC is responsible for oversight of project implementation and to provide general policy guidance of the project.

V. Future Work Plan

Summarize the projected activities and expenditures for the following reporting period (1 January-31 December 2011), using the lessons learned during the previous reporting period.

The balance activities to be completed up to the end of December 2011 are summarised as follows:



1. Identify Drivers of Growth
2. Identify Binding Constraints to Growth
3. Understand Agricultural & Rural Labour Market Dynamics
4. Assess Value Chains to Identify Major Areas of Enhanced Economic Return
5. Identify the Value and Volume of Agricultural Import and Export Commodities
6. Present Consolidated Research Findings
7. Outline Proposed Corrective Measures- Train and assist 10-12 MoA in developing Agriculture Policy
8. Form Drafting Committee with GoI counterparts
9. Public Consultation on Draft National Policy with all stakeholders
10. Policy Revision – Submission to CoM
11. Complete Sector Expenditure Framework
12. Review Expenditure – Policy Alignment
13. Assess Functional Delivery Structure / Roles
14. Identify Strategic Investment Priorities
15. Draft Strategy Aims, Measures, Delivery Roles, Costs, Monitoring, Benchmarks- Train and assist 10-12 MoA in agriculture sector investment strategy development
16. Integrate Budgeted National Strategy to Budget
17. Design National Agricultural Growth Program- Train and assist 15-20 MoA, MoPDC, NAP-WG in developing budgeted and strategically aligned agricultural growth stimulant program
18. Design Economic Diversification Initiative– Train and assist 15-20 MoA, MoPDC, NAP-WG in developing budgeted and strategically aligned economic diversifier program
19. Design National Employment Generation NPP- Train and assist 15-20 MoA, MoPDC, NAP-WG in developing budgeted and strategically aligned employment generation program



VI. Performance Indicators

The indicators set at the output level of project are designed to achieve:

Outputs	Measurable Indicators	Means of Verification	Achieved Indicator Targets
<p>Output 1</p> <p>GoI and partners have improved knowledge and evidence base for the development of national agricultural policy and strategy</p>	Number of MOA /COSIT/NAPWG/ University staff trained on growth diagnostic design	Training Report	
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	
	Study on investment and policy produced	Study Report	
	Number of MOA /COSIT/NAPWG/ University staff trained on identification and analysis of agriculture growth indicators	Training Report	
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	
	Study on Core Drivers of Agricultural and Employment Growth produced	Study Report	
	Number of MoA /COSIT/PSSU/NAPWG staff trained on design and analysis of investment climate survey	Training Report	
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	
	Study on Core Binding Constraints to Investment Climate at the Sectoral and Sub-sectoral Levels completed	Study Report	
	Number of MoA/COSIT/NAP-WG staff trained on labor market survey design and analysis	Training Report	
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	
	Report based on national labour and employment survey completed	Survey Report	
	Number of MoA/PSSU/NAP-WG staff trained on analysis of value chain for key products	Training Report	
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	
	Report on targeted value chain for key products completed	Study Report	
Number of MoA/MoF/MoT staff	Training		



	trained on conducting trade volume analysis	Report	
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	
	Study on Trade volume and value analysis completed	Study Report	
Output 2	Number of MoA trained on developing a National Agriculture Policy	Training Report	
GOI better able to formulate and implement the National Agriculture Policy	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	
	New National Agricultural Policy drafted	Policy Document	
Output 3	Number of MoA staff trained on developing an agriculture sector investment strategy	Training Report	
GoI better able to develop and implement the agriculture sector investment strategy in line with national	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training participants' assessment	
	National Agricultural Investment Strategy drafted	Strategy Document	
	Number of MoA, MoPDC, NAP-WG trained on developing budgeted and strategically aligned a. agricultural growth stimulant program b. economic diversifier program c. employment generation program	Training report	
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training participants' assessment	
	New National Priority Programmes identified	MOA	

VII. Abbreviations and Acronyms

List the main abbreviations and acronyms that are used in the report

CSO (COSIT) Central Statistical Office

FAO Food and Agriculture Organization of the UN

GoI Government of Iraq

I-AGES Iraq Agricultural Growth and Employment Generation Support Program

MoA Ministry of Agriculture

MoF Ministry of Finance

MoPDC Ministry of Planning and Development Cooperation

MoT Ministry of Trade

NAP-WG National Agricultural Policy Working Group

PSSU Policy and Strategy Support Unit