



**UNITED NATIONS  
DEVELOPMENT GROUP**

**UNITED NATIONS  
INDUSTRIAL DEVELOPMENT  
ORGANIZATION**

**FOOD AND AGRICULTURE  
ORGANIZATION OF THE  
UNITED NATIONS**

**THIRD SIX MONTH PROJECT PROGRESS REPORT FOR PROJECT  
JOB CREATION THROUGH COTTAGE AND MICRO-INDUSTRIES PROMOTION IN DIWANIYAH  
(JANUARY – JUNE 2008)**

<p><b>Participating UN Organization:</b> United Nations Industrial Development Organization (UNIDO) – Lead Executing Agency Food and Agriculture Organization of the UN (FAO) – Collaborating Agency</p>	<p><b>Sector Outcome Team:</b> Agriculture and Food Security</p>																										
<p><b>Project No. and Project Title:</b> A5-20 Job Creation Through Micro Industries Promotion in Al Qadissiyah, Iraq</p>	<p><b>Report Number:</b> 3</p>																										
<p><b>Reporting Period:</b> 1 January – 30 June 2008</p>	<p><b>Project cost:</b> USD 6,171,891</p> <table border="1"> <tr> <td>UNDG ITF:</td> <td>USD 5,871,891</td> </tr> <tr> <td>Govt. Input: (in-kind)</td> <td>USD 300,000</td> </tr> <tr> <td>Total</td> <td>USD 6,171,891</td> </tr> </table>	UNDG ITF:	USD 5,871,891	Govt. Input: (in-kind)	USD 300,000	Total	USD 6,171,891																				
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<p><b>List Implementing Partners:</b> Ministry of Planning and Dev, Cooperation Ministry of Agriculture Ministry of Labour and Social Affairs</p>	<p><b>Geographic Coverage/Scope:</b> Al Qadissiyah Governorate</p>																										
<p><b>Abbreviations and acronyms:</b></p> <table border="0"> <tr><td>CTA</td><td>Chief Technical Advisor</td></tr> <tr><td>FAO</td><td>Food and Agriculture Organization</td></tr> <tr><td>GoI</td><td>Government of Iraq</td></tr> <tr><td>HQ</td><td>Head Quarters (Vienna or Rome)</td></tr> <tr><td>IDP</td><td>Internally Displaced Persons</td></tr> <tr><td>MoA</td><td>Ministry of Agriculture</td></tr> <tr><td>MDG</td><td>Millennium Development Goals</td></tr> <tr><td>NPC</td><td>National Project Coordinator</td></tr> <tr><td>NPO</td><td>National Project Officer</td></tr> <tr><td>PMU</td><td>Project Management Unit</td></tr> <tr><td>PSC</td><td>Project Steering Committee</td></tr> <tr><td>UNCT</td><td>United Nations Country Team</td></tr> <tr><td>UNIDO</td><td>United Nations Industrial Development Organization</td></tr> </table>	CTA	Chief Technical Advisor	FAO	Food and Agriculture Organization	GoI	Government of Iraq	HQ	Head Quarters (Vienna or Rome)	IDP	Internally Displaced Persons	MoA	Ministry of Agriculture	MDG	Millennium Development Goals	NPC	National Project Coordinator	NPO	National Project Officer	PMU	Project Management Unit	PSC	Project Steering Committee	UNCT	United Nations Country Team	UNIDO	United Nations Industrial Development Organization	<p><b>Project Status: Duration/Closed Project/Timeline Extension:</b></p> <ul style="list-style-type: none"> <li>• Project duration: 18 months</li> <li>• Original Project End Date: 30 Aug 2008</li> <li>• Six month Extension: To be Requested</li> </ul>
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## **I. Purpose**

### **1.1 Main objectives and outcomes expected as per approved project document:**

The *Job Creation Through Micro Industries Promotion in Al Qadissiyah* project aims at improving the socio-economic conditions of the population in the region through community empowerment and rehabilitation of the livelihoods and productive capacities in the Al-Qadissiyah (Diwaniyah) Governorate.

#### **Objectives**

1. Provide targeted communities with the capacity to plan and manage their development activities and restoring a functional base for economic growth and social peace.
2. Improve the livelihood of approximately 4,500 people (50% women) living in the project area through strengthening of their productive capacities in post-harvest and other income-generating activities.
3. Enable a large number of youths and women who have been deprived by the conflict to gain basic knowledge in productive skills through practical experiences and activity-based learning.

#### **Outputs**

1. Enhanced capacities at the community level in support of socio-economic growth and peaceful coexistence.
2. Sources of income and employment for men and women creating an environment for productive employment through training and provision of tools for individuals and organized production groups and associations.
3. A minimum of 1,000 people (50% female) are 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.

#### **Key Activities**

1. Assessing the needs of project beneficiaries (using selected participatory appraisal tools), identifying viable productive income generation activities and appropriate technologies.
2. Selecting project sites with the collaboration of all stakeholders, based on the distribution of vulnerable groups in both urban and rural areas and the availability of raw materials and markets.
3. Finalising selection and identification of beneficiaries based on the criteria agreed upon by all stakeholders: local governments, women's associations, directorates of counterpart ministries, village elders and Project Steering Committee members.
4. Rehabilitation of vocational training centres.
5. Training of trainers in the selected technologies, entrepreneurship, and community development.
6. Procurement of pilot plants and workshop equipment for the training centre, project beneficiaries, model cottage and micro-industries; and installation of these equipments.
7. Training of beneficiaries in entrepreneurial skills and technology to start their own business or to increase employment opportunities.
8. Mentoring the beneficiaries through their businesses.

### **1.2 Relevance of the Project to the UN Assistance Strategy to Iraq 2008-2010:**

UNIDO's *Job Creation Through Micro Industries Promotion in Al Qadissiyah* has been designed to support the UN's assistance strategy to Iraq around the core themes of employment creation, improving agricultural output and production/productivity and to improve post-harvest and income generating opportunities for vulnerable groups in rural and urban areas throughout the country.

The project is also a key component in the UN sector outcome objectives for the Agriculture and Food Security Sector. Key sector outcomes, that the project is helping the UNCT to work towards include:

- Enhancing production and productivity in the agricultural sector.
- Reducing poverty levels and improving sustainable employment opportunities for Vulnerable groups.
- Strengthening agricultural and natural resource management practices.

The project also directly contribute to the attainment of the UN's MDGs for Iraq, through:

**Goal 1:** "*Eradicate extreme poverty and hunger*" through its activities promoting income-generating activities and employment; and

**Goal 3:** "*Promote gender equality and empower women*" through the association of women in all project activities and decision-making.

### **Relevance of the Project to the Iraqi National Development Strategies**

UNIDO's *Job Creation Through Micro Industries Promotion in Al Qadissiyah* has been developed as an integral part of the national development priorities of the Government of Iraq (GoI). In particular, dedicated efforts have been made to specifically focus on enhancing socio-economic outcomes in the productive sectors of the economy and by assisting in strengthening livelihoods and social protection. The project is also responding to the clear need for capacity building of agro-industrial institutions in the country and by creating opportunities for community reconciliation through employment promotion, food security, and poverty reduction.

The project is consistent with the GoI's national development priorities of:

- Revitalizing the Private Sector through promoting access to capital/capital items for micro enterprises and by improving agricultural-related linkages with markets.
- Improving the Quality of Life by enabling project targeted beneficiaries to take advantage of emerging market opportunities and through skills upgrading and human capital acquisition via vocational training programmes.

### **Relevance of the Project to the International Compact for Iraq**

The project reflects the national and international commitments that have been made to improve Iraqi agriculture by helping to revitalize this critical and strategic economic sector. Central to this goal is the project's efforts to help the GoI and its international partners to create a stable, competitive and sustainable agricultural sector in the country so as to improve and enhance food security, rural employment and income levels, diversify economic growth and assist in the protection and management of the natural environment.

The project has been designed to meet these commitments through a comprehensive portfolio of activities that targets:

- Capacity building of GoI counterparts
- Strengthening of agro-industrial assets and infrastructure
- Improving the capability of small agro-related producers to add value and link with markets
- Enhance efficiency in the productive capacities of agro-enterprises

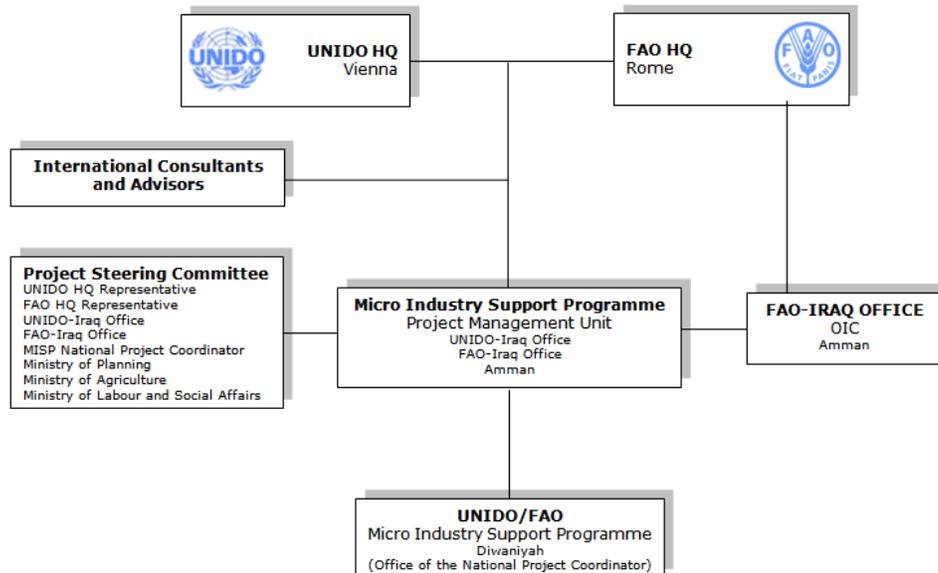
- Facilitate the development of support and extension services.

In accordance with these strategic priorities, the project aims at providing strong complementarities between humanitarian assistance, post-conflict recovery and development for food security, poverty reduction, and the resettlement of war-affected communities.



### **1.3 Main international and national implementing partners involved, their specific roles and responsibilities in project implementation and their interaction with the agency:**

This project is jointly implemented by UNIDO and FAO. This collaboration offers the opportunity for both UN agencies to pool their complementary expertise for the attainment of the project objectives. It promotes inter-agency cooperation in line with the ongoing UN reform. The organisational structure of the project is presented below:



The strategic partnership between FAO and UNIDO has helped the project to pool the expertise of both agencies in the inception, development, and implementation of this multi-faceted approach. The joint implementation arrangements with clear roles and responsibilities of the two organizations have enhanced efficiency in the delivery of project objectives. At the operational level, sharing costs by using joint facilities at field offices improves effective utilisation of project funds.

The project has also contributed to improve inter-ministerial collaboration in the planning and implementation of the project through the active engagement of ministerial counterparts at the strategy and oversight level (Project Steering Committee) and at the local/field level (Technical Working Group).

More importantly, the project is the third of its kind in the country involving both organizations in the joint development and implementation of a comprehensive micro-industry support programme for the country. The current programme reflects an official request from the GoI and various project beneficiary grouping to extend the benefits realized under the successful completion of the Thi-Qar micro industry support project that recently closed in southern Iraq and the on-going project in the Kurdistan Regional Government administrated governorates of Erbil and Sulaymaniyah.

As shown in the diagram above, the project is being implemented through a Project Management Unit in Amman, where the Project Chief Technical Adviser (CTA) is based and from Diwaniyah through a National Project Coordinator (NPC) and administrative support staff. At the Headquarters of the two Agencies, project managers and focal points are assigned to coordinate the overall planning and implementation of the project.

Partners from the Government of Iraq are the MOA, MOLSA, MOPDC and the Al-Qadissiya Governorate. Each Ministry has appointed focal points for this project and is involved as follows:

- MOLSA is currently involved in employment-generation activities in cities and has training facilities for the unemployed. It will facilitate the implementation of the non-food processing activities of the project.
- MOA has a rural development programme through its extension and outreach services and is engaged in the off-farm rural employment generation activities. It will facilitate the implementation of the food-processing component of the project.
- MOPDC is collaborating in targeting the vulnerable groups in rural and urban areas and coordinating the facilitation activities of the line Ministries for this project.

A Project Steering Committee (PSC) was established, composed of representatives from MOA, MOPDC, MOLSA, UNIDO, FAO, and the Al-Qadissiya Governorate. It was decided that the MOPDC will coordinate the activities of the focal points in the counterpart Ministries in Iraq, each of which will facilitate project implementation according to its own specific role. The PSC has an advisory and coordination role on the strategic and planning issues and implementation modalities. This will ensure transparency and promote ownership of the project among all the stakeholders.

In addition to the CTA, the NPC and the focal points of the different ministries, the project recruits national and international short-term consultants for specific technical activities. The project also cooperates with local Universities and other vocational training institutes for the specialized training of trainers' course and the development of training manuals.

## **II. Human Resources**

### *National Staff and Consultants Engaged Under the Project*

Under the *Job Creation Through Micro Industries Promotion in Al Qadissiyah* there are 4 full-time and 2 part-time/temporary staff employed by the project. The day-to-day organization of field staff is conducted by the National Project Coordinator (NPC) who is supported by three (3) National Project Officers (NPO) and 2 temporary data entry support staff.

Under the direction and guidance of the National Project Coordinator, the National Project Officers work in the field on all aspects of the project. Key operational activities include; beneficiary identification and selection, support to training sessions, procurement archival, inventory, and distribution, monitoring of activities, reporting, and activity design and implementation.

### *International Staff and Consultants Engaged Under the Project*

The project is backstopped out of the UNIDO-Iraq Office in Amman, Jordan. The project has worked to minimize its use of international staff and consultants. By pursuing this strategy the project is able to devote more financial resources to core programming areas. At present the project employs one (1) Chief Technical Advisor and has, in the past, hired on a short-term basis a small number of local staff (Jordanian) and has brought in, on an ad hoc basis, the expertise of short-term international consultants.

### III. Methods of Operating

#### **3.1 Project Implementation Team: An Overview of the Roles and Responsibilities**

Below is a brief description of the various stakeholder groups that are broadly responsible for the design, development, implementation, and control of project activities. This overview helps to highlight the main roles and responsibilities of various agents/agencies that are associated with the *Job Creation Through Micro Industries Promotion in Al Qadissiyah*.

##### *UNIDO and FAO Headquarters:*

UNIDO and FAO have the overall responsibility for the implementation of the project and the appropriate use of donor fund. Also, in line with their administrative rules and regulations, the two agencies have sole responsibility for all decisions regarding staff recruitment, contractual agreements, technical assistance, backstopping and project supervision, and procurement, monitoring and reporting.

Under the terms of the project, FAO concentrates on the food processing component of the project while UNIDO focuses its efforts on the non-food processing and auxiliary income-generation components. An inter-agency agreement, signed by the two agencies, provides an overview and a guide for the unfolding of the various project activities to be carried out by each of the agencies; reporting (including financial reports) and recruitment of international and national staff, etc.

Given the current UN operational modality based-upon on a detailed assessment of the security situation in the country and the limited international access that results from this modality (remote location management), the Project has established a flexible management structure (Project Management Unit - PMU) to implement and supervise the project. It has offices both in Amman and in Diwaniyah. The organizational and operational structure of the PMU has been designed to ensure that project managers have the autonomy and the capacity to conduct day-to-day operation and to make any amendments to the activity workplan that may be found necessary - to ensure impact and consistent progress in implementation.

##### *Project Management Unit:*

The PMU is comprised of a small contingent of permanent staff: (i) A project Chief Technical Adviser (CTA); (ii) A Project National Coordinator (PNC); and (iii) basic administrative support. When the necessity arises, the PMU is assisted for specific activities by expertise from UNIDO and FAO HQ's and/or by national and international consultants. Project personnel are recruited in a transparent manner; typically via public announcement of a job posting - according to the usual UNIDO and FAO recruiting procedures.

##### *Project Steering Committee:*

Taking into consideration the nature of this project – involving activities dealing with different national counterparts (government ministries, local government bodies, NGOs and others) and the need to expand cooperation with all concerned – a Project Steering Committee (PSC) and has been established and is comprised of representatives/focal points from a number of stakeholders groups., including: representatives from MOA, MOPDC, MOLSA, UNIDO, FAO, and the Al-Qadissiya Governorate. It was decided that the MOPDC will coordinate the activities of the focal points in the counterpart Ministries in Iraq, each of which will facilitate project implementation according to its own specific role. The PSC has an advisory and coordination role on the strategic and planning issues and implementation modalities. This will ensure transparency and promote ownership of the project among all the stakeholders.

##### *Micro Industry Support Programme Unit (MISP)*

The MISP unit is comprised of the National Project Coordinator and field-level support staff. Currently, there is a National Project Office located in the governorate capital of Diwaniyah. The MISP is largely responsible for planning and executing project activities in the field. The unit is also responsible to liaise with GoI counterpart ministry staff - to help ensure the timely unfolding and reporting of project outputs and activities. Project staff have been recruited and operate under the direct supervision of the National Project Coordinator. The MISP reports directly to the Project Management Unit in Amman and is directly accountable to the Chief Technical Advisor for the project.

##### *International Consult/Advisors*

When required, the project has utilized a variety of technical consultants to help in the design, development, execution, and/or monitoring of project activities. These experts are typically brought in on an ad hoc basis and are attached to the project on a short-term basis.

### **3.2 Procurement Procedures**

All procurement related matters follow the administrative rules and procedures of UNIDO and FAO. These can be downloaded from the agencies websites.

### **3.3 Project Reporting and Monitoring Mechanisms**

Continuous activity review mechanisms have been designed for the *Job Creation Through Micro Industries Promotion in Al Qadissiyah* project, in order to provide the PSC and the UNIDO and FAO management teams with early indications of progress or lack thereof in the achievement of project outputs and objectives provided at the field level (Amman and Iraq). Coordination and communication at the field level are also key elements and help to (i) ensure project ownership amongst stakeholders, (ii) provide early warning of potential problems, (iii) take corrective actions and (iv) facilitate the smooth implementation of the components of the project.

In line with the above, UNIDO and FAO officers, the project CTA and PSC members convene bi-annual meetings in Amman to discuss major problems in the implementation and agree on remedial actions that may be required to improve project implementation. Also, within each Organization headquarter, the responsible technical and operational project officers assure proper coordination through regular meetings and sharing of information.

Regular reporting to UNDG via an established standard format continues to be carried out through UNIDO (Lead Executing Agency). To assist in this process, FAO provides UNIDO with all necessary and required financial and (operational data to be provided by the PMU to FAO) as per the modalities established in the Inter-Agency Agreement signed between the two agencies.

#### *Reporting from the Field:*

Implementation and workplan activities are conducted according to the PSC-endorsed operational workplans. Continuous oversight of project implementation activity is provided by the PMU, which has setup mechanisms to ensure that:

- the project activities are well coordinated and technically sound.
- the overall effective monitoring of the activities of the project is in place.
- that plans and progress towards producing outputs and achieving the objectives of the project are regularly reviewed.
- that field budgets for the project operations are assured through timely requests, and prepare any revisions if necessary.
- That the necessary project, strategy and implementation decisions are taken and properly implemented in the field.

The following reports are regularly provided/prepared by project staff:

- Bi-monthly reports by the PMU.
- Contributions to various UNDG reporting platforms/exercises.
- Six-monthly report to PSC and UNDG.

#### *Activity and Resource Tracking:*

The project will benefit greatly from a number of monitoring initiatives and tracking tools that are used in UNIDOs micro industry support programme throughout the country. Some of these tracking tools include:

- Training of Beneficiaries (ToB): Training Course Relevancy
- ToB: Employment and Quality of Life Questionnaires
- ToB: Geographical Distribution/Mapping
- Training of Trainers (ToT): Training Course Relevancy
- ToT: Project Participation Availability Surveys
- ToT: End of Training Reports
- ToT: Geographical Distribution/Mapping
- Mapping Vocational Training Institutes
- Equipment Distribution to End Users Reporting

At present, given the relative early stage that the project is in, the main areas that the project managers have made a dedicated effort to track relate to procurement and the training of trainers. In particular:

*Procurement data-base:* One of the largest investments the project has made is in acquiring assets that will enhance technology transfer in project targeted areas. Central to this goal are the important technology and knowledge transfers being made for the enhancement of the agro-infrastructure sector and extension and service providers. To assist in the projects efforts to optimize the use of these project procured assets, the project has developed a procurement database that is aimed at the effective management and reporting of shipping, storage, and end-users of project resources.

*Training of Trainers:* The project has made a dedicated effort to track the Training of Trainers. These tracking efforts have helped to ensure that Trainers are kept informed of upcoming training sessions and other project-related activities. The UNIDO-Iraq Office has developed a Trainer availability database that is aimed at helping to ensure that project resources are well targeted and that Trainers are kept engaged with the project. Project Steering Committees regularly make the status and next step planning for ToT activities a regular part of the meeting discussions and, if required, identify areas for improvement and follow-up.

#### IV. Results

Activities/Output	Implementation Status			Explanation/Comments
	0-50%	50-80%	80-100%	
<p><b>Output 1.1:</b> Enhanced Capacities at the community level in support of socio-economic growth and peaceful co-existence.</p>		X		<ul style="list-style-type: none"> <li>The project has confirmed the needs of project beneficiary groupings through the preparation of a comprehensive needs assessment report that involved the active participation of the GoI counterpart ministries and agencies. This report has also been an important planning tool for the identification and targeting of agro-economic activities and for the selection and promotion of micro-industries.</li> <li>Through the engagement of PSC and Technical Working Groups members, the selection of project sites, the initiation of beneficiary and resource 'mapping', identification of viable project extension services, appraisal of potential training sites, and the targeting of agro-infrastructure assets has been finalized.</li> <li>The project has finalized the beneficiary selection criteria and has developed an extensive 'pool' of project targeted beneficiaries.</li> <li>The design, development, and implementation of project sensitization workshops, with core project stakeholder groups, has been completed.</li> <li>The process of identifying and selecting 15 ministry representatives, community planners, and other development practitioners for community development and leadership training has been initiated and in the immediate future this leadership group will travel outside the country to undergo intensive training in community development and planning.</li> <li>An inception report that contains a detailed project activity workplan has been developed for the project. The Report also lays out the key M&amp;E activities that the project will execute over the entire project cycle.</li> <li>Methodologies and criteria/metrics for tracking community-level development changes has been discussed and agreed upon.</li> </ul>

Activities/Output	Implementation Status			Explanation/Comments
	0-50%	50-80%	80-100%	
<p><b>Output 2.1:</b> Sources of employment for men and women in targeted communities are improved through increased quality and diversity of sustainable livelihoods activities benefiting 4,500 households.</p>	X			<ul style="list-style-type: none"> <li>• The identification of locally relevant and appropriate agro-economic technologies has been completed which has been anchored by a market based assessment of raw materials, support services, distribution nodes, and linkages to markets.</li> <li>• The preparation of the technical specification for project procured equipment has been completed. Procurement activities have been completed and currently the project is the process of either conducting inventory on project received equipment and tools, distributing equipment and tools to training centres and beneficiary groupings (based on a formal agreement between the PMU, GoI Line Ministries, and end-users), or organizing for receipt of equipment and other project goods under shipment/transport.</li> <li>• All ToT training sessions within Iraq have been completed for skills upgrading of ministerial counterpart staff that will be attached to the project's food and non-food vocational training and skills upgrading centre. The timely unfolding of these training programmes was delayed by instability caused by political and sectarian violence occurring in the operational area during the reporting period.</li> <li>• Pre-selection of training for two (2) Ministry representatives to receive specialized 'out of country' training in enterprise development and business mentoring as well as five (5) ministry-linked staff has been completed. Furthermore, the project has identified and selected 17 ToTs who will undergo advanced training in non-food technologies in Amman, Jordan. 7 ToTs in Food technologies have also been selected for training outside the country. Once trained this group will be streamed into various training programmes at the project-funded and rehabilitated Diwaniyah Vocational Training Centre.</li> <li>• The project has prepared all the technical specifications for toolkits and other income-generating/post-harvest beneficiary targeting assets. The project uses a formalized agreement which structures the conditions for use and transfer.</li> <li>• Methodologies and criteria/metrics for tracking changes in agro-industrial productivity, income, and employment levels at the project targeted community-level have been discussed and agreed upon by the Technical Working Group and via discussions with PSC members.</li> </ul>

Activities/Output	Implementation Status			Explanation/Comments
	0-50%	50-80%	80-100%	
<p><b>Output 3.1:</b> A minimum of 1000 young people 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.</p>	X			<ul style="list-style-type: none"> <li>• The project has completed its formal needs assessment which has played a key role in the identification and effective targeting of project beneficiaries, agro-economic activities, the procurement of equipment and tool kits, and the geographical distribution of project inputs as it relates to youth.</li> <li>• This needs assessment has been complimented by various adhoc market based and demand-side surveys which has allowed the PMU to ensure there are strong synergies between the activities of the project, the market demand of industries and enterprises, and the GoIs development priorities for empowering women and youth throughout the country. This process did take longer than expected given the challenges to secure the participation of women in project activities. As a result, the PMU had to create additional gender targeting initiatives to improve the engagement of women in planned project activities.</li> <li>• The project has made a dedicated effort to conduct a technical assessment of vocational and technical training institutes and centres and decisions relating to the resourcing of these facilities has been made in conjunction with the PMU, Ministerial Representatives, and other Project Steering Committee members.</li> <li>• The project has also conducted a formal appraisal of the quality of various training programmes and consultants have been brought in to assess the relevancy and appropriateness of the project's various training materials. This has resulted in the collation of a large volume of training materials that are being built into a flexible training 'platform' that will easily lend itself to other projects and initiatives. This has helped to ensure that the project is able to identify the most promising employment opportunities for youth and women in the target area.</li> <li>• For those training activities that have been completed, the PMU has been actively engaged in effectively targeting women and youth, provide them with relevant and appropriate training opportunities, assist them in the enterprise and entrepreneurial start-up activities, and finally track and when/wherever possible provide follow-up support services. .</li> <li>• Gender and age 'sensitive' methodologies and criteria/metrics for tracking changes in productivity, income, and employment levels for these specific beneficiary groupings have been discussed and agreed upon.</li> </ul>

## V. Future Work Plan

The following chart provides an overview of the most recent revisions and activity adjustments approved during the Cottage III Project Steering Committee held in Amman, Jordan on 12-13 March 2008. During that meeting the Project Steering Committee agreed upon a number of action items to help facilitate the unfolding of project activities. Efforts to follow this plan were complicated by an intensification of open conflict between Multi National Forces/GoI Security Forces and the Mahdi Army. Over a number of weeks the conflict created significant 'pockets' of slack in the activity workplan. In August, the Project Management Unit will request a 6-month extension of the project to allow for project managers and staff to reduce this slack and get the project back on track. The Project Steering Committee has requested a six-month extension for the project. Over the coming months, project managers will intensify efforts to train trainers and beneficiaries. By the end of August the Diwaniyah Vocational Training Centre will become operational, allowing greater capacity and skills upgrading opportunities to be utilized. A Project Steering Committee meeting is planned for the middle of September and a revised workplan and action items will be agreed upon to move the project forward.

No.	Project Activity	2007												2008												2009		
		03	04	05	06	07	08	09	10	11	12	01	02	03	04	05	06	07	08	09	10	11	12	01	02	03		
<b>A</b>	<b>Preparation</b>																											
1	Establish Project Steering Committee																											
2	Prepare an inception report to provide a detailed project work plan including project-monitoring tools.																											
3	Organize the first project steering committee meeting in Amman																											
4	Recruit national project coordinators and project assistants																											
5	Elaborate detailed strategy guidelines for implementing each planned activity in PSC meeting																											
<b>B</b>	<b>Conduct Baseline Assessment</b>																											
1	Prepare and Organize Baseline Assessment																											
2	Selection of project sites based on activities, raw material and market availability.																											
3	Identify viable cottage activities and processes for each identified locations																											
<b>C</b>	<b>Rehabilitation Of Training Centre/s</b>																											
1	Identify possible training centres in the governorates																											
2	allocation of the training centre for training																											
3	evaluation of the training centres' facilities																											
4	Design the reconstruction of the training centers																											
5	Contracting the rehabilitation work																											
6	Rehabilitation of the training centers																											



**VI. Implementation constraints, lessons learned from addressing these and knowledge gained from assessments, evaluations and studies that have taken place during the reporting period:**

Managing a project from remote control from Amman presents a number of challenges that impact the effectiveness of the free flow of information between the PMU and project staff. During this reporting period, the main constraints that faced the project are the following:

- The fragile security situation hampers free movement of international and national project staff and consultants, posing some difficulties to the effective implementation of project activities.
- The security situation in Diwaniyah Governorate further deteriorated during the reporting period. There have been a number of intense periods of insecurity where curfews and restrictions on movement have prevented the timely unfolding of project activities.
- Religious holidays and other observant periods has also meant that there are periods where project contact with beneficiaries, field staff, and Counterparts is limited.
- Effective targeting of women remains a challenge for project managers. The project is working in a more tradition part of the country and securing women to be enrolled in training programmes, travel (escorted and non-escorted), decision-making bodies, and other aspects of the project have been difficult and the prognosis for improvements over the project cycle are limited.
- Nominated staff from the ministry and the private sector to participate in the TOT programs which were not granted entry visas to Jordan and Egypt.

**VII. Highlights and cross cutting issues pertinent to the results being reported on, e.g. gender disaggregation, policy engagement and participation of the public:**

**Public Participation:** The counter-part ministries are actively involved in project implementation as stated in previous sections of this report. This is being achieved as part of the continuous communication with the counterpart ministries and their participation in the PSC's.

**Women Beneficiaries:** Women constitute a substantial proportion of the poor. It is estimated that approximately 25% of the beneficiaries will be women (women-headed households, widows, IDPs). Given pronounced cultural and religious views in the governorate, women will be encouraged to participate in project activities and in the leadership positions in production groups and associations established by the project. To date, a large majority of the project's beneficiaries trained so far have been exclusively male due to the field of training (agro-mechanics and welding), but this situation will change as the project's training continues to cover other technologies and training areas.

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

**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 have been participating in the selection of beneficiaries and identifying the location and kind of income generating activities they want to embark on. Ensuring stakeholders to actively participate in such key decisions enhances the trust and partnership between project partners, which is essential in the implementation of the project.