



**UNITED NATIONS
DEVELOPMENT GROUP**

**UNITED NATIONS
INDUSTRIAL DEVELOPMENT
ORGANIZATION**

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

**SIX MONTH PROJECT PROGRESS REPORT (JULY – DECEMBER 2007):
JOB CREATION THROUGH COTTAGE AND MICRO-INDUSTRIES PROMOTION IN
DIWANIYAH**

Project Summary

Participating UN Organisation:

United Nations Industrial Development
Organization (UNIDO) – Lead Executing
Agency

Food and Agriculture Organization of the UN
(FAO) – Collaborating Agency

Cluster: A

Agriculture, food security, environment
and natural resources management.

Project No. and Project Title:

A5 – 20

Job Creation through Cottage and Micro-
Industries Promotion in Al-Qadessia

Project Location/Region/Province:

Diwaniyah Governorate

Reporting Period:

1 July to 31 December 2007

Report no:

2

**Counterpart organisations/implementing
partners:**

Ministry of Planning and Development
Cooperation

Ministry of Agriculture

Ministry of Labour and Social Affairs

Project cost: USD 6,171,891

UNDG ITF:	USD 5,871,891
Govt. Input: (in-kind)	USD 300,000
Total	USD 6,171,891

Abbreviations and acronyms:

MoPDC - Ministry of Planning and Development
Cooperation

MOA – Ministry of Agriculture

MoLSA - Ministry of Labour and Social Affairs

GoI – Government of Iraq

Project Duration:

18 months

I. Purpose

1.1 Main objectives and outcomes expected as per approved project/programme/project document:

The 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-Qadissiya (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.

1.2 Reference to how the programme/project relates to the UN Assistance Strategy to Iraq and how it aims to support international and national development goals including the Millennium Development Goals and other goals as pertinent:

The project is designed as an integral part of the framework of the Joint UN-Iraq Assistance Strategy 2006-2007 – Cluster A, with a special focus on the following goals: (i) Support economic and human development; and (ii) Assist in the provision of basic services and promotion of community development participation.

It is also in line with the National Development Strategy (NDS) 2005-2007: “Rehabilitating livelihoods that have been destroyed and helping people to develop sustainable livelihoods through a right-based approach to reduce poverty”.

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

The project will directly contribute to the attainment of the MDG's in Iraq, namely:

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.

The project will also indirectly contribute to other Goals (2, 4, 5 and 7) through its capacity building/training interventions and improvement of the food security situation.

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. This project is the third of this kind, developed and implemented jointly by FAO and UNIDO, responding to the request of the counterpart ministries based on the successful project being implemented in southern Iraq.

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.

To overcome the problem of security which impedes the presence of international staff in the field and travel of government experts and national consultants to Amman and in the region, the project is installing a telephone and video conference facility in the MOPDC to facilitate communication between the field, Amman and HQ of the two agencies.

II. Resources

Total approved budget and summary of resources available to the programme/project from the UNDG Iraq Trust Fund and non-Trust Fund resources where applicable:

Total approved budget: 6,171,891 USD from the UNDG-ITF
Total expenditure as on 31 Dec 2007 US\$ 869,113.35 (= 14.08 %)

III. Results

3.1 Output Status

The output status table reports the extent to which the project is progressing towards the achievement/realization of the expected outputs.

Activities/Output	Description	Status	Reflections/Comments
Recruitment of project staff and establishment of a Project Management Unit	<p>The PMU includes the CTA, Technical Advisors, Project Assistants, and support staff.</p> <p>The PMU is supported by the NPC and field office staff.</p>	<p>Completed</p>	<p>The Project established a field office in Diwaniyah.</p>
Establishment of the Project Steering Committee (PSC)	<p>The PSC is composed of the representatives of UNIDO, FAO, the Counterpart Ministries i.e. the Ministry of Planning and Development Cooperation, Ministry of Agriculture, Ministry of Labor and Social Affairs and the Offices of the Governorate Council.</p> <p>The main functions and responsibilities of the PSC are:</p> <ul style="list-style-type: none"> • Advising the project on strategic directions/decisions • Ensuring the effective cooperation between all key stakeholders • Advising on the effectiveness of the on-going project activities. 	<p>Completed</p>	<p>The second PSC meeting will be held from March 12-13, 2008 in Amman, Jordan. During this meeting PSC members will be working on finalizing the criteria for the selection of beneficiaries, the methodology to be used, and developing a workplan to move the project towards its intended goals.</p>
Base line study (Needs Assessment)	<p>The baseline study will include findings, analysis and recommendations on:</p> <ul style="list-style-type: none"> • Technologies that provide potential opportunities for job creation for identified beneficiaries and localities • Strategies for intervention (input of new technology and matching level of technical training) that could help achieve project objectives 	<p>The baseline study was initiated (see Progress Report No. 1). A preliminary draft report has been presented by COSIT (Central Organisation for Statistics and Information Technology) in October 2007. The project made detailed comments and suggestions for improvement.</p> <p>COSIT subsequently presented a revised draft final report on the 9th of December. Project comments are in the process of consolidation.</p>	<p>The project has already determined the areas of intervention in food and non-food technologies on the basis of the draft survey findings and procurement and planning for TOTs training is in progress.</p>

<p>Base line study (Needs Assessment) (Cont'd)</p>	<ul style="list-style-type: none"> • Marketing strategies for identified economic activities that broaden access to internal market as well as linkages to global markets • Capacity building and training strategies that ensure sustainability of project outcomes and impacts • Sectors for training of trainer (TOT) programmes • Strategies for utilizing opportunities for scaling up food and non-food technologies to enhance the earning of vulnerable groups through e.g. the formation of SSEs and associations at the community and village levels <p>Information that will enable the project to measure achievements in terms of making a difference in the lives of identified vulnerable groups and the contribution made to the revitalization of the economy of the Diwaniyah Governorate.</p>	<p>The draft final survey report findings include:</p> <ul style="list-style-type: none"> ▪ An identification of sites: 15 districts ▪ An identification of industries (non-food: carpet and carpet weaving; blocks, tiles and mosaics; blacksmith and aluminum; sewing and garment making; agricultural and vehicle maintenance; fodder industry. Food: cereals, confectionery; honey and jams; yoghurt; pickles; date syrup; vinegar and dates) ▪ Indicators of unemployment rates. 	<p>Furthermore, the project will proceed with the selection of project sites, project activities, and identification of individual beneficiaries.</p> <p>Decisions relating to these next step activities will be reached during the March 12-13 Project Steering Committee meeting.</p>
<p>Selection of project sites and industries</p>	<p>Selection of targeted communities for the implementation of project activities is based on the results of the survey by COSIT.</p>	<p>Finalization of proposed project targeted communities will be determined in the March 12-13 Project Steering Committee.</p>	<p>This activity is underway..</p>
<p>Selection of project beneficiaries</p>	<p>Identification of vulnerable groups is based on criteria established by the Project Steering Committee. They will be provided with food and non-food technology training.</p>	<p>This selection of project beneficiaries will start in early 2008.</p>	<p>Currently, a detailed beneficiary selection workplan is being designed and developed by the PMU</p>
<p>Selection of focal point persons</p>	<p>In order to facilitate communication and assist the NPC in the project implementation, focal point persons are determined in the Counterpart Ministries and Diwaniyah Governorate. In particular, they serve to facilitate the receipt and distribution of equipment and tools procured for the project.</p>	<p style="text-align: center;">Completed</p> <p>Each Counterpart Ministry and Diwaniyah Governorate have appointed one focal point person each.</p>	<p>Focal point persons have been involved in various aspects of the project. It is expected that as the project moves forward in 2008, project focal points will play an important role in the unfolding of project activities.</p>

<p>Selection and rehabilitation of a vocational training centre</p>	<p>This centre will be used by the project to train the beneficiaries in selected trades, which will be determined by the PSC taking into account the findings and recommendations of the survey report. The training center will also ensure the sustainability of project processes, outputs and outcomes.</p>	<p style="text-align: center;">On-going</p> <p>The premises offered by the MOA GOI for training purposes were assessed (see Progress Report No. 1). In this reporting period the preparation of the detailed design for the VTC was completed. The tender for its rehabilitation has been published, collection of bids has been completed, specifications for equipment and details for proposed rehabilitation of facilities have already been approved by the MOA. Currently, the project is working to finalize contract details with the contractor who will be responsible for conducting the rehabilitation of the VTC in Diwaniyah.</p>	<p>In December of 2007 the contractor was selected to conduct the rehabilitation and the contract was expected to be finalized in January 2008 with rehabilitation work starting immediately thereafter.</p> <p>As part of the PMUs Risk Minimization strategy a contingency plan identifying existing Vocation Training Providers and factories is currently underway to assess the suitability and capacity of these alternative training centres.</p>
<p>Training of trainers</p>	<p>The project envisages training of trainers in food and non-food technologies and entrepreneurial skills. These trainers, whose number will be determined based on the survey report and work plan, form a major strategy for ensuring institutional sustainability.</p>	<p>A total of four ToT candidates were nominated by the MoA and MoLSA for training in Organizational Development and Management; however, the four candidates were unable to attend during this training stream/session.</p> <p>Nominees for Training of trainers in food technologies has been submitted to the PMU and is being scrutinized by FAO experts with support from the PMU.</p> <p>The project plans to train ToT candidates for both Food and Non-Food.</p> <p>For Food ToTs, in early 2008 the project will select and send ToT candidates to Amman, Jordan (Univ. of Jordan) for skills upgrading in various food processing technologies.</p> <p>For Non-Food ToTs, in early 2008 the project will train candidate through a two stage process:</p> <ul style="list-style-type: none"> ▪ Stage 1 - Basic Skills training in respective technologies in Nassiriyah VTC ▪ Stage 2 Advanced training will be given in Amman, Jordan for those who showed promising results in Stage 1 training at the Nassiriyah VTC. 	<p>ToTs for Food have been identified, forwarded to FAO HQ in Rome, and finalization of the candidates is expected at the next PSC meeting to be held in March.</p> <p>ToTs for Non-Food have been identified, forwarded to UNIDO HQ in Vienna, and finalization of the candidates is expected at the next PSC meeting to be held in March except for Sewing/Tailoring ToT training where the PMU has asked the Counterpart Ministries in Diwaniyah to nominate 3-4 female candidates for the planned training stream/session.</p>

<p>Developing Technical Specification and procurement of Equipment</p>	<p>The project provides machinery and equipment for the Vocational Training Centre and in-kind business start-up support for individual beneficiaries and community development centres (associations).</p>	<p>For Food Equipment – a substantial part of technical specifications of machinery and equipment have been developed and endorsed by counterpart ministries for the Food-related equipment. Some of these have already been ordered.</p> <p>For the Non-Food equipment, the technical specifications for over 55% of the proposed procured equipment has been completed. Some of these items have already been shipped and are expected in the country in early 2008.</p>	<p>The project is continuing to work at finalizing the remaining/outstanding technical specifications for Food and Non-food equipment and tools. It is planned to complete these activities in early 2008.</p>
<p>Monitoring and Evaluation</p>	<p>The project puts in place a monitoring and evaluation system that assesses the effectiveness of training, employment taken up by trainees and the general impact of the project on the livelihoods of the beneficiaries.</p>	<p>Day to-day monitoring of project activities is on-going. Corrective measures are implemented accordingly.</p>	<p>On-going activity</p>

3.2 An assessment of the extent to which the project is progressing in relation to the outcomes expected from the project:

As elaborated in the preceding section, the project has launched activities that are critical prerequisites to determine concrete project inputs, including: the selection of natural resources whose potential added value could be improved cost-effectively, the identification of appropriate technologies that need up-grading to promote project objectives, the design of appropriate institutional and individual capacity building strategies for project beneficiaries, and the identification of project beneficiaries, among vulnerable groups, across districts and sub-districts in the Governorate of Diwaniyah.

3.3 Main activities undertaken and achievements/impacts during the Reporting Period:

The project has firmly initiated implementation and is progressing as expected. The major activities include:

- i. The base line survey, which is the cornerstone of the project. It will be the basis for elaborating implementation strategies for all project components in conformity with immediate objectives and outputs as prescribed in the project document;
- ii. The detailed design and BOQ for the rehabilitation of a Vocational Training Centre that will serve as the hub of all project capacity building activities across districts and sub-districts in Diwaniyah Governorate.
- iii. Training of Trainers identification and selection has been completed and the results are to be validated and finalized at the next PSC in March 2008.

The foregoing are important strategic activities that are critical to the success, effectiveness, and sustainability of the project.

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

- 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.
- The project will benefit from the lessons learned and good practices established in the implementation of the project "Promotion of Cottage Industry in Rural and Urban Areas" in Thi Qar Governorate.
- 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.

3.5 Key partnerships and inter-agency collaboration, and their impact on results:

- The strategic partnership and collaboration 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 FAO and UNIDO 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.

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

- The counter-part ministries are actively involved in project implementation. As stated in the first Progress Report, the MOA chaired the Steering Committee meeting in April and took decisions on strategic and administrative issues.
- Counterparts have since been involved in the selection of a training centre for project use and cooperating with COSIT in carrying out the project survey.

IV. Future Work Plan

4.1 Priority actions planned for the subsequent reporting period to overcome constraints, build on achievements and partnerships, and use the lessons learned during the previous period:

- **Organisation of the 2nd PSC Meeting:** The second PSC meeting will be held on March 12-13, 2008 to assess the survey findings, conclusions and recommendations and to determine how to adopt them in order to develop an effective strategy for project implementation. The second Project Steering Committee, on the basis of its assessment of the survey outcome, will decide on:
 - Areas of intervention (natural resources for potential value added intervention)
 - Appropriate technologies
 - Selection of final project sites based on the distribution of vulnerable groups in both urban and rural areas of the Governorate of Diwaniyah,
 - Target beneficiaries and localities (communities)
 - Modalities of community involvement, the role of community centres in skill development and training of vulnerable groups (women, youth and IDPs) across districts
 - Strategies for forging strategic partnerships between business associations and public services to develop integrated support for cottage industry development.

The PSC meeting will also adopt a work plan for the next planning period ending June 2008).

- **Rehabilitation of the vocational training centre:** As mentioned in the previous sections, the rehabilitation of the training centre is a prerequisite for organising training programmes for end beneficiaries. The main activities will include:
 - Start and complete the rehabilitation of the VTC.
 - Equip/resource it with the proper/planned resources
 - Commission it as a focal point for the project in the Governorate.

- **Identification and registration of project beneficiaries:** The selection and identification of beneficiaries will be initiated based on the criteria agreed upon by all stakeholders, i.e. Project Steering Committee members, local governments, women's associations and village elders. Special emphasis will be given to IDP's, women-headed households and youths.

- **Planning and organisation of the training programme for trainers:** On the basis of technologies selected by the stakeholders, the PMU identifies the requirements and curricula for the training of trainers, identifies competent training providers and mobilises the selection of potential candidates from counterpart line ministries. The training of trainers programme will include technical training (food processing and non-food technologies) as well as basic entrepreneurship training programmes for selected beneficiaries to serve as mentors (micro-enterprise advisors) within their respective communities.

- **Identification of potential community-based centres:** These will serve as hubs for training individual beneficiaries in selected technologies, economic activities and entrepreneurship within their respective communities. These community centres will also provide training in nutrition, food safety and quality and diet diversification for women.

- **Specification of machinery and equipment:** UNIDO and FAO, on the basis of decisions taken by the stakeholders, will continue to develop specifications of outstanding/remaining machinery, equipment, and other tools for the vocational training centre in Diwanayah, the community centres in districts and sub-districts, project-supported business associations and end-beneficiaries. These specifications are endorsed by counterpart line ministries before they are tendered out.

- **Continuation of monitoring and evaluation (M&E):** This is an on-going activity. The M&E system monitors the progress of project implementation against the adopted work-plan. It also collects, consolidates and analyses project data on effectiveness of training, functionality of equipment, effectiveness of implementation arrangements in the context of the situation on the ground. The project management team continually refines this management tool to manage the project pro-actively.

4.2 Indication of major adjustments in the strategies, targets or key outcomes and outputs:

No major adjustments to strategy and outputs are required at this stage, but project extension maybe required.

4.3 Estimated Budget required (including any major funding shortfalls):

No additional budget required at this stage of the project.