

United Nations Development Group Iraq Trust Fund
Project C10-11 (Atlas# 66995)
Date and Quarter Updated: 01 October – 31 December 2010

Participating UN Organisations: UNDP (Lead), ILO, UNIDO, FAO, UNOPS, UN-HABITAT, UNIFEM	SOT: ERDSOT
Government of Iraq – Responsible Line Ministry: Over-all responsibility: Prime Minister’s Office Advisory Commission	
Upstream coordination through Task Force on Economic Reforms (TFER) and its Working Groups (WG):	
<ol style="list-style-type: none"> 1. Legislative Revision, 2. State-Owned Enterprise Restructuring, 3. SME Development, 4. Investment Policy, 5. Tax Policy, 6. Land Reform, 7. Social Dialog. 	
The TFER and all WGs are established through COMSEC orders and comprise members from relevant Iraqi government entities ¹ , Central Bank, National Investment Commission. They also define membership for representatives of private sector and unions ² , and other relevant Iraqi stakeholders ³ .	
Downstream activities in Erbil, Anbar, and Basrah are coordinated through PSDP-I Governorate Steering Committees with representation of relevant local Government of Iraq (GoI) counterparts ⁴ .	

Title	Private Sector Development Programme for Iraq				
Geo. Location	National upstream-level and three priority governorates: Basrah, Al’Anbar and Erbil.				
Project Cost	USD 32,870,000 ⁵ Cost sharing and co-funding under discussion with GoI and other partners.				
Duration	36 months				
Approval Date	04/12/2008	Starting Date	01/01/2009	Completion Date	31 December 2011
Project Description	<p>This Programme is conceived and designed with Iraqi stakeholders (public and private), various UN organizations and other international stakeholders in an effort to create and enable an effective, coherent, and comprehensive framework for private sector development in Iraq at both the national and governorate levels in three priority Governorates. It is a means of achieving: i) sustainable and increased employment opportunities; ii) poverty reduction; iii) the enhancement of the legal and regulatory framework which will allow an increase in sustained domestic and international investment; iv) the development of a legal and regulatory framework designed to perpetuate an overall rational, coherent, and economic environment; and v) the diversification the basis of future economic growth in Iraq in a gender inclusive and environmentally sustainable manner.</p> <p>The programme addresses these challenges through two pillars of activities. The first pillar is a national level policy support intervention aimed at shaping a more conducive private sector environment. The second pillar addresses the governorate-level challenges of private sector growth through planning and implementation activities within three selected governorates.</p>				

¹ Including Ministry of Planning and Development Cooperation, Ministry of Agriculture, Ministry of Water Resources, State Ministry of Women Affairs, Ministry of Labour and Social Affairs, Ministry of Industry and Minerals, Ministry of Finance.

² Federation of Chambers of Commerce and Industries, Iraqi Federation of Industries (IFI), Iraqi Businessmen Union, Association of Iraqi Businessmen, Association of Iraqi Banks, Iraqi Contractors, Iraqi Federation of Chambers of Commerce and Industries in Basrah, in Erbil, and in Ramadi, etc.

³ Including NGO partners, e.g. Women Leadership Institute, Women Empowerment Organisation, Iraqi Al-Amal Association

⁴ Includes representation provincial councils, Women Higher Commission in Kurdistan, etc.

⁵ The total budget is divided into components for each participating UN agency. Transfer of funds is subject to a three-installment transfer schedule. During the reporting period, the first two tranches of the original budget were transferred to Participating Agencies (USD 22,889,894). In addition, UNIFEM received a PSDP-I budget increase of USD 20,000 to be used for activities unrelated to this Programme.

Development Goal and Immediate Objectives

Development Goal:

- Contributes to following Sector Outcomes:
Sector Outcome 1: Improved policies, strategies and related institutional developments that are sensitive to MDGs, social inclusiveness, gender equality and inclusive of those in poverty in terms of positive economic growth;
Sector Outcome 2: Enhance key-sectors of local economies in the most deprived areas.

Immediate Objectives:

- Reflected in Integrated Programme Outcomes:
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development;
IP Outcome 2: Strengthened economic recovery in three governorates in the South, Central and Northern areas of Iraq.

Outputs, Key activities and Procurement

IP Outputs⁶	<p>IP Output 1.1: Strengthened national capacities for private sector development policies.</p> <p>IP Output 1.2: Improved efficiency of the Public Micro Lending Programme and access to business loans.</p> <p>IP Output 1.3. Strengthened operational, regulatory and legislative environment for SMEs development.</p> <p>IP Output 2.1: Local economic strategies and development plans are in line with national and provincial frameworks in three governorates.</p> <p>IP Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates.</p>
IP Activities	<p>1.1.1 Assist technically a Task Force within the Prime Minister Office to support the formulation, implementation and monitoring of public PSD initiatives of the GoI, and conduct a final programme evaluation;</p> <p>1.1.2 Conduct a comprehensive assessment of legislative, institutional and sectoral needs to assist GoI to properly design policies for PSD;</p> <p>1.1.3 Support the drafting, parliamentary review, and implementation of legislation including SoE corporatisation (amendment of Law 22), privatisation, investment law rules and regulations, land title reform, competition, arbitration, PPPs, mitigation package, agricultural and trade policies;</p> <p>1.1.4 Build the capacity of officials regarding key policy issues for enterprise development, including PPPs, corporatisation and privatisation of SOEs, access to private finance, industrial policy, labour standards, land titling, agriculture, trade and allocation to support the design of relevant legislative and institutional frameworks;</p> <p>1.1.5 Implement investment potential mappings (including sector-specific);</p> <p>1.1.6 Promote social dialog, institutionalise and technically support the organisation of a tripartite consultation mechanism of the Government, Employers and Workers representatives in the Socio-Economic Council (SEC) of Iraq;</p> <p>1.1.7 Prepare in consultation with the Socio-Economic Council a Private Sector Development Strategy for Iraq, including a strategy for investment, private farming, trade and an economic regional reintegration program proposal;</p> <p>1.1.8 Provide continuous support to the Program to mainstream gender and ensure women's full participation in policy and strategy design.</p> <p>1.2.1 Improve the design and the management of the Governmental guaranteed Micro-Lending Programme of the GoI (implemented by MoLSA and MoIM);</p> <p>1.2.2 Assist with the design and implementation of other mechanisms to enhance access to credit by SMEs;</p> <p>1.2.3 Review of micro-lending legislation and draft of laws and by-laws.</p> <p>1.3.1 Provide assistance for a survey of SMEs (including formal and informal sector);</p> <p>1.3.2 Support GoI Prime Minister's Advisory Board and other concerned ministries for an SME-</p>

⁶ As per UNDG/ITF PSDP-I Project Document "5. Results Framework".

	<p>friendly regulatory framework;</p> <p>1.3.3 Strengthen capacities of business development services and Non-Bank Financial Institutions at the national level.</p> <p>2.1.1 Identify, in a participatory, evidence-based framework, local economic comparative advantage of the target areas;</p> <p>2.1.2. Support local institutions in the production of Local Economic Recovery (LER) strategies in harmony with Provincial Development Strategies (PDS);</p> <p>2.1.3 Strengthen governorate-level institutions to implement and sustain local development planning capacities;</p> <p>2.1.4 Promote gender mainstreaming and women participation in local strategies and plans.</p> <p>2.2.1 Direct implementation of pilot projects and support local governor’s office and line ministries at the governorate-level to identify priorities and implementing their programs in the following sectors: Key Economic Infrastructure (UNDP); Agriculture (FAO); Industries (UNIDO); Business Development Services (ILO/IOM); Micro-lending (UNDP); Construction and Development Companies (UN-HABITAT).</p>
Procurement	None
Major Activities Undertaken from initiation till present reporting	<ul style="list-style-type: none"> • Cabinet-endorsed establishment of Task Force for Economic Reforms and seven Working Groups with membership of relevant Iraqi state entities and private sector <ul style="list-style-type: none"> ○ Legislative Assessment and Revision ○ SOE Restructuring ○ SME Development ○ Tax and Financial Policy ○ Investment Policy ○ Land Management Reform ○ Social Dialogue • Submission of Preliminary Legislative Assessment Report (covering investment, commercial, public procurement and privatization core areas as well as assessments in area of agriculture, labour, land regime, SMEs, and gender) and development Draft Law for Economic Reforms, Investment Law, Free Zone Law and general Private Public Partnership Law (and guidelines). • MoU signed between UNDP (on behalf of UN PSDP-I agencies) and World Bank on cooperation in support to development of Roadmap for SOE Restructuring. • MoU signed with Unioncamere (Italian Federation of Chambers) on cooperation in support of Iraqi Chambers of Commerce and business processes. • Agreement with GoI and other key Iraqi stakeholders on SME development activities (including on establishment of SME agency) and preparations MSME survey (including coordination with COSIT) as well as submission of paper “Reforming governmental micro-lending in Iraq for employment generation”. • Completion of “Preliminary Institutional, Legal and Technical Assessment Administration and Management” report for land management reform and agreement with GoI and other key Iraqi stakeholders on development of Land Policy for Iraq. • Preparations for investment mapping. • Preliminary Tax Policy Design Framework. • Completion of generic structure for Agriculture Private Sector Strategy and approval by Iraqi counterparts. • Establishment of GSCs at governorate level (Erbil, Basrah, Anbar) and initiation of various downstream activities. • Completion of draft Policy Paper on COSIT Economic Analysis Unit and shared with COSIT. • Completion White Paper on women’s participation in employment and private sector development. • Significant progress achieved in planning/development/coordination in following areas: <ul style="list-style-type: none"> ○ PSD strategy ○ Business development services (including successful training of local counterparts) ○ Coaching assistance to the Ministry of Industry & Minerals on the formulation of Iraq’s Industrial Strategy & Policy. • Approval of Roadmap for Restructuring of State-Owned Enterprises by the Iraqi Cabinet (31 August 2010, Cabinet Decision #314), including social mitigation measures and reference to the continued support role of United Nations and World Bank; assignment of SOE Restructuring

	<p>Focal Points in ministries and commencement of establishment of Restructuring Units within ministries and preparation for formation of cross-ministerial Restructuring Support Teams.</p> <ul style="list-style-type: none"> • Approval of establishment of three Governorate Economic Development Units by Local Steering Committees. • Completion of diagnostic report for national investment mapping. • Endorsement Iraqi counterparts of detailed training concept notes for downstream capacity building by FAO.
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Total Funds Committed and Disbursed as of 31 December 2010

Agency	Total Approved Amount [in USD]	1 st and 2 nd Tranche Received [in USD]	Rate of Funds Committed (against 1 st and 2 nd Tranche) ⁷	Rate of Funds Disbursed (against 1 st and 2 nd Tranche)
(a) UNDP	9,750,000	6,781,964	75.4%	48.3%
(b) ILO	3,002,966	2,216,974	28.8%	28.8%
(c) UNOPS	5,897,034	3,574,167	56.6%	49.4%
(d) UNIDO	7,700,000	5,356,012	56.6%	33.0%
(e) FAO	3,300,000	2,625,479	45%	40%
(f) UN-HABITAT	2,000,000	1,500,594	41.1%	32.8%
(g) UNIFEM	1,220,000	854,704	43.9%	43.9%
Total	32,870,000	22,909,894	59.3%	43.3%

A. UNDP

Funds Committed	USD 5,111,350	% of received	75.4%
Funds Disbursed	USD 3,273,969	% of received	48.3%
Forecast final date	On Schedule	Delay (months)	0

Direct Beneficiaries	Number of Beneficiaries ⁸	% of planned (current status) ⁹
Men	n/a	n/a
Women	n/a	n/a
Children	n/a	n/a
IDPs	n/a	n/a
Others	n/a	n/a
Indirect beneficiaries	All citizens of Iraq.	n/a
Employment generation (men/women)	n/a	n/a

Quantitative achievements against objectives and results	% of planned
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
Output 1.1: National capacities for private sector development policies are strengthened.	75%
Output 1.2: Improved efficiency of the Public Micro Lending Programme and access to business loans.	30%
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
Output 2.1: Local economic strategies and plans developed in line with national and provincial frameworks in three governorates.	50%
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates.	19%

⁷ For some agencies (ILO and UNOPS), commitment rates have dropped from the previous reporting period. This is due to the year-end closure of larger unliquidated obligations in the financial systems of the respective organizations.

⁸ Number of beneficiaries may not be quantified as the current interventions are on a policy, advisory and legislative level benefitting the Government of Iraq and designated governorates.

⁹ The project document does not define concrete numbers of beneficiaries to be targeted.

Qualitative achievements against objectives ¹⁰ and results	
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
1.1.1 Technical support is provided to the taskforce working within the Prime Minister Office to formulate, implement and monitor the public PSD initiatives of the GoI.	<p>[Activity led by UNDP: achievement rate at 96%]</p> <ul style="list-style-type: none"> • 12 October 2010: Informal progress review meeting for Resident Coordinator and Heads of Agency resulted in: <ul style="list-style-type: none"> - Confirmation that Programme on track - Call for strengthened focus on cooperation • 10 December 2010: Proposal for technical cooperation co-signed by the PSDP-I Programme Director and Dr Thamir Ghadhban, Chairman of the Task Force for Economic Reforms (TFER), was presented to the Ambassador of Poland in Baghdad. Proposal highlights potential areas of Iraq-Poland cooperation for economic reforms and the opportunities for partnering with the seven PSDP-I Agencies. • 19-20 December 2010: Conference on the 'Role of Private Sector in Rebuilding Basrah' co-organised by UNDP and the WANA Forum. The conference, attended by more than 60 participants from public and private sector, as well as civil society and international organizations, provided an opportunity for dialogue with regional and local counterparts, and international companies.¹¹ • 20 December 2010: PSDP-I Programme Management Team met and agreed with a Unioncamere, in line with the PSDP-I workplan and the MOU signed in September, on coordinating coaching initiatives aimed at strengthening Chambers of Commerce and business associations both at the federal level as well as in all three pilot governorates.
1.1.2 A comprehensive assessment of legislative, institutional and sectoral needs to assist GoI to properly design policies for PSD is in place.	<p>[Activity supported by UNDP]</p> <ul style="list-style-type: none"> • Nothing to Report
1.1.3 Draft legislation related SoE corporatisation (amendment of Law 22), privatisation, investment law rules and regulations, land title reform, competition, PPPs, mitigation package, agricultural and trade policies are available	<p>[Activity led by UNDP: achievement rate at 84%]</p> <ul style="list-style-type: none"> • 09 November 2010: Following a letter sent from COMSEC to all State Owned Enterprise (SOE) ministries calling for the nomination of SOE Restructuring Focal Points at the level of Deputy Minister or Senior Advisor, a meeting with all Focal Points was held and resulted in the agreement for ministries to form Restructuring Units to advance the process of restructuring of their enterprises in line with the Roadmap. • Formation of the first Restructuring Unit with two Deputy Ministers in the Ministry of Electricity, later followed by other ministries.
1.1.4 Increased knowledge of officials regarding key policy issues for enterprise development to support the design of relevant legislative and institutional frameworks	<p>[Activity supported by UNDP]</p> <ul style="list-style-type: none"> • 4-9 October 2010: During a study tour to Croatia (organized by ILO/UNOPS) a meeting took place with the UN Global Compact local network representative, who presented to the Iraqi delegation the benefits of pursuing adoption of Corporate Social Responsibility (CSR) policies and launching of the UN Global Compact local network in Iraq. • December 2010: UNDP met with representatives of the UN Global Compact Secretariat to brainstorm and agree on the possible launch of the Global Compact Local Network in Iraq and relevant management arrangements.
1.1.6 A tripartite consultation mechanism of the Government, Employers and Workers representatives in the Socio- Economic Council of Iraq is available to promote social dialogue	<p>[Activity supported by UNDP]</p> <ul style="list-style-type: none"> • Weekly activities organized by the Programme Director and other PSDP-I Baghdad staff to meet with the TFER, Line Ministries, CoR members and private sector organizations to enhance understanding regarding public and political support for economic reforms towards inclusive growth.
1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available.	<p>[Activity led by UNDP: achievement rate at 37%]</p> <ul style="list-style-type: none"> • Draft Outline for PSD Strategy prepared and shared with key partners for feedback.
1.2.1 Improved management of the Governmental guaranteed Micro-Lending Programme (implemented by	<p>[All three activities led by UNDP: achievement rate at 50% (1.2.1), 15% (1.2.2) and 30% (1.2.3)]</p>

¹⁰ Terminology in line with this reporting format (page 2): IP Outputs as 'immediate objectives'.

¹¹ http://www.wanaforum.org/home/images/pdf/overview_rr.pdf.

<p>MoLSA and MoIM)</p> <p>1.2.2 Enhanced mechanisms to access to credit by SMEs</p> <p>1.2.3 Draft laws and by-laws related to GoI micro lending programme are available</p>	<ul style="list-style-type: none"> • A series of meetings took place with Tijara to discuss and agree on: <ul style="list-style-type: none"> - Central Bank issued SME Financing Company Instructions and the impact on implementing micro-lending in Iraq; - Status and future of the existing NGO-MFIs in Iraq in view of new legislation; - Scenarios for the possible emergence of Non-Banking Financial Institutions (NBFI) in Iraq – opportunities and implications; - MOLSA law submission: objective and implications; - Iraqi NGO-MFIs reporting backlog to the Mix Market; - Joint review of the Change Management Plan and drafting of a Microfinance Policy Document. • 8 December 2010: Outline for a joint UNDP and USAID-Tijara Microfinance Policy Paper drafted. • 22 December 2010: Open competitive bidding for the micro-lending component of the PSDP-I launched.
<p>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</p>	
<p>2.1.3 Strengthen governorate-level construction and development institutions to implement and sustain local planning capacities.</p>	<p><i>[Activities 2.1.3 and 2.2.1a (Key Economic Infrastructure) and 2.2.1e (Micro-lending) led by UNDP: achievement rates at 50% (2.1.3), 20% (2.2.1a) and 18% (2.2.1e)]</i></p> <ul style="list-style-type: none"> • 28-30 November 2010: UNDP took part in the Annual Inclusive Financial Services Stakeholder Conference 2010 in Erbil “Putting the Poor First: Improving the Regulatory Environment, Industry Infrastructure and Institutional Performance for Greater Impact”. The Conference brought together the 12 micro-finance institutions (MFIs) providing financial services across all 18 provinces to 1.2 million households living below the poverty line.
<p>2.2.1 Technical support provided to identify priorities and program implementation in the sectors of Key Economic Infrastructure and Micro-lending</p>	<ul style="list-style-type: none"> • 19-20 December 2010: The first round of Electricity Training for the Master Planning of the electricity network was conducted in Istanbul with the participation of eight engineers from Basrah and eight from Anbar and one from the Ministry of Electricity. • Basrah and Anbar Governorate Steering Committees reviewed draft bylaws for the Governorate Economic Development Unit (GEDU). • 6 December 2010: An official letter was issued by the Governor of Anbar endorsing the concept of the proposed Economic Development Unit, developed in cooperation by UNDP and ILO-UNOPS, and assigning the Deputy Governor to work with PSDP-I to establish the Anbar Economic Development Unit. • 12 December 2010: Update on the latest developments in the on-going data collection for the Electricity Master Plan obtained in a meeting with Electricity Department in Basrah. • All three Governorate Steering Committees finalized Business Packages.
<p>Procurement</p>	<ul style="list-style-type: none"> • Nothing to Report

Main Implementation Constraints and Challenges

Substantive Challenges

- Continued uncertainty of micro-finance institutions on compliance (e.g. MIX market¹² registration, legal status, portfolio size) in light of UNDP requirements for engaging them for microfinance activities in the three pilot governorates.

Management / Logistic Challenges

- Continued restrictions in terms of Baghdad slot availability and office space.
- Difficulties of travel to field locations and to interact with project stakeholders on the ground.

¹² Microfinance Information Exchange, Inc. -- a non-profit organization that acts as a business information provider in the microfinance sector.

**B. ILO and
C. UNOPS**

Funds Committed¹³ ILO	USD 638,229	% of received	28.8%
Funds Disbursed ILO	USD 638,229	% of received	28.8%
Funds Committed UNOPS	USD 2,022,033	% of received	56.6%
Funds Disbursed UNOPS	USD 1,765,905	% of received	49.4%
Forecast final date	On Schedule	Delay (months)	0

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	60	100%
Women	15	100%
Children	n/a	n/a
IDPs	n/a	n/a
Others	n/a	n/a
Indirect beneficiaries	225	100%
Employment generation (men/women)	5	100%

Quantitative achievements against objectives and results	% of planned
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
Output 1.1: National capacities for private sector development policies are strengthened.	45%
Output 1.3: Strengthened operational, regulatory and legislative environment for SMEs development	45%
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
Output 2.1: Local economic strategies and plans developed in line with national and provincial frameworks in three governorates.	50%
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates	50%

Qualitative achievements against objectives and results	
Major results achieved during the previous period provided the platform for conducting activities by the PSDP-I team, including:	
<ul style="list-style-type: none"> - Following Istanbul workshop, a draft resolution for establishing the GEDUs in three pilot governorates had been finalized and shared with members of GSCs, the final draft will be submitted at a later date to the Cabinet for adoption at the national level. - Contacts with the Iraqi Federation of Industries (IFI) and Iraqi Federation of Chambers of Commerce (IFCOC) took place since both are ILO/UNOPS main partners of the private sector and number of meetings and workshops were conducted to better understand the system and structure of the federations chambers of commerce and help them better address the needs of the local community. - Potential trainers for the SYB trainings have been identified and will commence their trainings early next year and upon successful completion of their trainings they will be ILO certified trainers. - MOLSA provided a formal response in regards to IFI's complaint and IFI's situation remains unsettled. 	
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
1.1.1 Technical support is provided to the taskforce working within the Prime Minister's Office to formulate, implement and monitor the public PSD initiatives of the GoI.	<i>[Activity supported by ILO/UNOPS]</i> <ul style="list-style-type: none"> • NTR

¹³ All expenditure figures are estimates only. For accurate financial reporting please refer to Agency-individual certified financial reports.

1.1.2 A comprehensive assessment of legislative, institutional and sectoral needs to assist GoI to properly design policies for PSD is in place;	<i>[Activities supported by ILO/UNOPS]</i> <ul style="list-style-type: none"> • NTR
1.1.3 Draft legislations related to SOE corporatisation (amendment of Law 22), privatisation, investment law rules and regulations, land title reform, competition, PPPs, mitigation package, agricultural and trade policies are available;	
1.1.4 Increased knowledge of officials on key policy issues for enterprise development to support the design and implementation of relevant legislative and institutional frameworks;	<i>[Activity supported by ILO/UNOPS]</i> <ul style="list-style-type: none"> • November 8-11, Technical Workshop held in Amman, hosted by ILO/UNOPS; Participants were from Anbar, Erbil and Basrah Chambers of Commerce and a delegation of The Iraqi Federation Chambers of Commerce; Workshop's aim was to discuss the capacity development of the local chambers and find ways to better their services and positions in the governorates and also discussed structures and systems of the Iraqi chambers of commerce.
1.1.6 A tripartite consultation mechanism of the Government, Employers and Workers representatives in the Socio-Economic Council of Iraq is available to promote social dialogue;	<i>[Activity led by ILO/UNOPS: achievement rate at 45%]</i> <ul style="list-style-type: none"> • NTR
1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available.	<i>[Activity supported by ILO/UNOPS]</i> <ul style="list-style-type: none"> • NTR
1.3.1 A survey of SMEs (including formal and informal sector) is available;	<i>[Activity led by ILO/UNOPS: achievement rate at 15%]</i> <ul style="list-style-type: none"> • Further preparations and negotiations with COSIT to ensure their cooperation
1.3.2 GoI High Economic Committee and concerned ministries are supported to formulate legislative strategies for SMEs-friendly regulatory framework;	<i>[Activity led by ILO/UNOPS: achievement rate at 70%]</i> <ul style="list-style-type: none"> • 4-8 October 2010: SME Study Tour and workshop in Zagreb, Croatia with focus on exposing TFER WG on SME Development and representatives of the Iraqi private sector to international standards and experience in SME sector support and development • 5-6 October 2010: Workshop in Erbil, attended by members of the existing BICs, IFI, IFCOC, ILO consultants and representatives of the GOI and KRG; the workshop's goal was to introduce the MSME development projects to stakeholders.
1.3.3 Strengthened national capacities of business development services and Non-Bank Financial Institutions.	<i>[Activity led by ILO/UNOPS: achievement rate at 40%]</i> <ul style="list-style-type: none"> • NTR
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
2.1.1 Identify, in a participatory, evidence-based framework, local economic comparative advantage of the target areas	<i>[Activity led by ILO/UNOPS: achievement rate at 50%]</i> <ul style="list-style-type: none"> • Focal points of Erbil, Basrah and Anbar attended GSC's meetings in each area to follow up on feedback of GEDU's draft resolution and By-law and to provide the GSC members with updates in regards to PSDPI activities in the region.
2.2.1 Technical support provided to identify priorities and program implementation in the sector of Business Development Services. Specific area identified in the ProDoc.	<i>[Activity 2.2.1d (Business Development Services) led by ILO/UNOPS: achievement rate at 50%]</i> <ul style="list-style-type: none"> • RFP, MOU signed and the complete frame work of the Business Information Centres in Anbar and Erbil were finalized; Drawings and schematics of the centre were submitted to initiate the process for establishing the centre.

	<ul style="list-style-type: none"> • An International Consultant was recruited to provide consultations on the structure of Chambers of Commerce and Federation of Industries, and Business Development Services. • An international SME consultant was recruited to support local mapping of business services providers in 5 governorates and eventually produce handbooks to be used for general consultancies and referral reasons by BICs consultants. • A local consultant was hired to map 10 business services providers and identify points of weaknesses and strengths, and training and capacity building requirements for each of the 10 organisation.
Procurement	<ul style="list-style-type: none"> • NTR
Main implementation constraints & challenges	
<p>Substantive challenges:</p> <ul style="list-style-type: none"> • The major challenge in during this quarter was still related to the possible change in the key counterparts as a result of the national elections – this affects the capacity building implementation schedule. • With the National Census again postponed, COSIT now not anymore exclusively focused on its preparation, but considerable backlog of other activities still affecting swift support for SME survey. • Some delays in Basrah operations, due to passing of the family member of ILO/UNOPS focal point. • The Head of the Anbar Chamber of Commerce passed away along with one of the chambers staff members, it took the chamber a while until a new head was elected and the chamber started addressing all pending matters. • Lack of interest displayed by Iraqi Federation of Chambers of Commerce in improving their services in the near future and co-operating or participating in any discussions related to capacity building of their staff. <p>Management/Logistic challenges:</p> <ul style="list-style-type: none"> • Logistics problems, including access to entry and visa issues • Lack of slots in Baghdad specifically allocated to PSDP-I personnel • Security situations in Baghdad and Anbar were deteriorating as a new wave of violence took place in different places and areas in middle and west of Iraq and personnel affiliated with the GOI being targeted and assassinated. • Limited movement for International staff when meeting with Iraqi counterparts in the red zone. • Getting IZ badges for local staff is taking more than usual and all local staff without badges have to be escorted in and out the International Zone on fixed daily timings. • Complicated procedure for getting Iraqi counterparts in the International zone and limited number of SSI escorts available to handle visitors' requests. 	

D. UNIDO

Funds Committed	USD 3,030,841	% of received	56.6%
Funds Disbursed	USD 1,765,434	% of received	33.0%
Forecast final date	On Schedule	Delay (months)	0

Direct Beneficiaries	Number of Beneficiaries¹⁴	% of planned (current status)¹⁵
Men	n/a	n/a
Women	n/a	n/a
Children	n/a	n/a
IDPs	n/a	n/a
Others	n/a	n/a
Indirect beneficiaries	All citizens of Iraq.	n/a
Employment generation (men/women)	n/a	n/a

¹⁴ Number of beneficiaries may not be quantified as the current interventions are on a policy, advisory and legislative level benefitting the Government of Iraq and designated governorates.

¹⁵ The project document does not define concrete numbers of beneficiaries to be targeted.

Quantitative achievements against objectives and results	% of planned
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
IP Output 1.1: National capacities for private sector development policies are strengthened.	70%
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates	25%

Qualitative achievements against objectives and results	
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
1.1.1 Technical support is provided to the taskforce working within the Prime Minister's Office to formulate, implement and monitor the public PSD initiatives of the GoI.	<p><i>[Activity supported by UNIDO]</i></p> <ul style="list-style-type: none"> • The CTA was deployed in Baghdad in the periods 12 September – 13 October 2010 and 05 November – 03 December 2010 • UNIDO PSDP-I team was further strengthened through the recruitment of six senior international experts (for contribution to: PSD strategy, coaching assistance to MIM on industrial strategy; development of the IT-based platform for legislation, SOEs Restructuring Roadmap; SOEs rehabilitation programme; other capacity building activities) and of two senior Iraqi industrial development and restructuring experts for assistance in both upstream and downstream components of the PSDP-I • Regular meetings were held in Baghdad with the TFER, the Programme Director, UN partner agencies, and UNIDO national experts. In particular, advisory assistance to the TFER Working Groups in PSDP-I key policy areas continued in the reporting period on industrial strategy and governance system (with weekly meetings with the Adviser to the Minister of Industry & Minerals), legislation and economic reform, SME development and implementation of the SOEs Restructuring Roadmap. • A HQs monitoring mission in Amman took place in the period 07 and 12 December; meetings and teleconferences with all UN partner agencies were held aimed at assessing actual progress and deliverables due in 2011 in common key PSDPI Outputs. The UNIDO work plan was consequently reviewed and finalized with focus on key Outputs and activities of UNIDO direct responsibility.
1.1.2 A comprehensive assessment of legislative, institutional and sectoral needs to assist GoI to properly design policies for PSD is in place	<p><i>[Activity 1.1.2 led by UNIDO: achievement rate at 70%; activity 1.1.3 supported by UNIDO]</i></p> <ul style="list-style-type: none"> • The assessment of the basic legal framework for both the constitution and civil code was completed and recommendations were formulated. • Other assessments were initiated to be completed in Q1 of 2011: <ul style="list-style-type: none"> - Competition and anti-monopoly law No. 14 of 2010 • Drafting of the English final Economic Reform Law was finalized in consultation with UNDP and the World Bank, translated and submitted to the TFER Working Group on Legislation. • The following laws were collected and translated for next assessments: <ul style="list-style-type: none"> - Competition and anti-monopoly law No. 14 of 2010 - Consumer protection law No.1 of 2010 - Fourth amendment to Law on Industrial Zones No. (20) of 1998 - Protection of Iraqi Products law No. 11 of 2010 under assessment • Drafting of a comprehensive framework PPP law initiated, elaborating the drafts prepared early 2010 (to be finalized during Q1 of 2011). • Coordination with other UN agencies was undertaken for updating their preliminary legislative assessments in their core areas of competence : <ul style="list-style-type: none"> - UN-HABITAT: a separate report on land reform was prepared, and most of legislations related to land property rights were assessed. The update of their part under the legislative assessment report is underway and will be provided hopefully by the end of 2010. - FAO: its part under the preliminary legislative assessment report was updated and a report on policy and legislation was finalized covering agricultural law, seeds legislation and policy, fisheries legislation, phytosanitary protection legislation and analysis of legal options for plant variety protection, along with recommendations next steps.
1.1.3 Draft legislations related to SoE corporatisation (amendment of Law 22), privatisation, investment law rules and regulations, land title reform, competition, PPPs, mitigation package, agricultural and trade policies are available.	

	<ul style="list-style-type: none"> - ILO/UNOPS: ILO part (labor code) of the preliminary legislative assessment report was updated; in particular, ILO's draft labor code is pending at the Council of Ministers for transmission to the new Parliament for reading and endorsement. - UNDP and UN Women input on banking/taxation and gender equality respectively is still pending • Completed legislative assessment reports (by individual core areas) will be published starting late Q1/early Q2 2011.
<p>1.1.4 Increased knowledge of officials on key policy issues for enterprise development to support the design and implementation of relevant legislative and institutional frameworks.</p>	<p><i>[Activity led by UNIDO: achievement rate at 60%]</i></p> <ul style="list-style-type: none"> • Coaching assistance to the Ministry of Industry & Minerals (MIM) on the formulation of Iraq's Industrial Strategy & Policy (ISP): <ul style="list-style-type: none"> - Following the July 2010 workshop in Vienna, coaching assistance to MIM continued throughout the reporting period especially in Baghdad, on strategic diagnosis, industrial governance system, priority sectors analysis, revision of the 2004 DFID/Ministry Green Paper - A joint identification of members for the Strategy Working Group (SWG) was initiated, counting as of end of December already six senior experts (including an Advisor to the Prime Minister of Kurdistan and former high-ranking MIM officials) - Preliminary formulation of the coaching and training programme - A workshop was held in Amman on 10-11 December with the participation of all identified members of the SWG and other MIM Planning and Restructuring Unit members, for reviewing progress and especially for finalizing the training programme to be initiated during Q1 of 2011. In particular and based on a presentation given by UNIDO of a most comprehensive module structure, actual topics were discussed, defined and prioritized and 4-5 events planned for the remainder of the PSDP-I project, aimed also at supporting MIM in reporting to the Industrial Council and in formulation and adoption of Iraq's Industrial Strategy. An outline of the Strategy was also jointly formulated. • SOEs Restructuring Roadmap <ul style="list-style-type: none"> - A meeting at the PMAC was held on 9 November, with the participation of high-ranking officials of Ministries (including Deputy Ministers), other Iraqi stakeholders and representatives of other international organizations (World Bank, USAID, Polish Ambassador, etc), for launching the implementation of the Roadmap and collecting initial feedback from Ministries; UNIDO CTA provided a presentation of the preliminary Terms of Reference for the Restructuring Units and of next operational steps - An activity matrix was prepared by UNIDO (and shared with UNDP, ILO and the World Bank) specifying all activities in the various target areas in the preparatory (current) stage of the Roadmap implementation and as a reference for task and funding/cost sharing among the participating organizations, as well as for other donors (US, Poland etc) to provide possible additional financial assistance; various discussions took place and understandings were reached with the World Bank over needed coordination and synergies (the WB is in the process of launching a complementary TA to MIM in the area of SOEs restructuring and corporatization). - In this framework: <ol style="list-style-type: none"> 1. The draft Terms of Reference for the establishment of the Restructuring Units (RUs) in the Ministries were finalized, translated and submitted to the TFER, following intensive consultation also with the Advisor to the Minister of Industry & Minerals; the ToRs will be presented and reviewed with all relevant Ministries in January 2011 for possible immediate start up of the planned institutional activities. 2. Drafting of the Terms of Reference for the establishment (in parallel to the RUs) of the inter-ministerial Restructuring Support Teams (RSTs) was initiated (to be finalized in January 2011) 3. Work sessions were held in Amman among UNIDO team experts for the elaboration of criteria and guidelines for SOEs diagnosis and classification (according to the Roadmap), expected to be finalized in January 2011. 4. A work plan for other methodological contributions by UNIDO in the period January-April 2011 was defined (areas of focus: training programmes of RUs and

	<p>RSTs, corporatization and commercialization of SOEs, asset valuation, social mitigation).</p> <ol style="list-style-type: none"> 5. Further discussions with and relevant advisory assistance to the TFER and the Ministries (over the establishment of the RUs and RSTs) and discussions with other potential donors have been scheduled in the period January-February 2011, according to agendas arranged by the PD/UNDP. 6. Understanding was reached with ILO to jointly address social mitigation measures at both upstream (policy framework) and downstream level (the latter, in the context of the rehabilitation of the three SOEs in Anbar and Basra). <ul style="list-style-type: none"> • IT based platform to sustain activities in the legislative area: <ul style="list-style-type: none"> - The procurement process was launched and the selection of a sub-contractor (Consultant) is under way (to be finalized during first half of 2011) for the development of the platform and delivery of training to Iraqi institutional trainers and users; - A senior international expert was recruited for supervising the entire work and providing necessary quality control. - The platform will be utilized also for training Iraqi legislators in legal drafting and other relevant subjects. • Organization of a study tour to Brazil <ul style="list-style-type: none"> - The study tour aims at (1) exposing selected institutional and private sector representatives to international best practices in selected key PSD areas, through a mix of workshops, visits and training sessions (in a country featured by common economic development challenges and especially by a most integrated and comprehensive PSD system) (2) streamlining established processes and activities in Iraqi institutions and organizations in such areas, and (3) enhancing the impact of UNIDO activities within the PSDPI and in particular of activity 1.1.4/Industrial Strategy and Governance System. The tour shall address relevant policy frameworks, sustainable industrialization processes (also for SMEs), restructuring and privatization of state enterprises, innovation and other areas that will be jointly agreed with Iraqi stakeholders and Brazilian counterparts. - The ToRs have been drafted and are under final review. - Initial discussions took place with MIM and private sector representatives over the selection of participants - The programme will be finalized by end of January 2011 and it envisages also the procurement of local technical and logistic assistance services.
<p>1.1.5 A national investment map is available (including sector and geographic-specific).</p>	<p><i>[Activity led by UNIDO: achievement rate at 80%]</i></p> <ul style="list-style-type: none"> • The diagnostic report was finalized and circulated mid October 2010 to the National Investment Commission (NIC), the TFER and other Iraqi stakeholders; the report reviews potential investment opportunities in 14 non-oil industries (sectors) and in five selected provinces (Anbar, Basra, Baghdad, Najaf and Erbil). Target sector industries are grouped into four main categories: (1) Infrastructure: electricity, transport, water, telecommunications; (2) Manufacturing of natural resources: fertilizers, petrochemicals, cement, glass and ceramics; (3) Agriculture: date palm, poultry, meat, dairy; and (4) Services: tourism, housing. UNIDO intends to proceed with the publication of this report during Q1 of 2011. • The final IM was postponed from late 2010 to end of February/mid March, also due to delayed inputs by the NIC. • Collection of primary data for over 100 investment projects continued, most of which are 'live' and proposed by Iraq's private sector and over 70 percent in the industrial sector; the Contractor is expected to finalize 20 detailed industry profiles, five detailed provincial profiles, 20 investment briefs and 10 detailed project profiles by the end of the project. • Meetings took place with NIC's Chairman and with the Director of Economic Department over the need to enhance NIC cooperation; as a result, two NIC staff members have been assigned on a full time basis to work closely with the local Contractor's team over the selection and formulation of investment profiles • A dissemination event will be organized in Baghdad during the second half of February, with the participation of main Iraqi stakeholders, foreign missions and also of the Contractor's Project Director, to collect feedback and contribute to the finalization of the

	IM.
1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available.	<p><i>[Activity supported by UNIDO]</i></p> <ul style="list-style-type: none"> • A highly qualified expert has been recruited in December 2010 for elaborating UNIDO inputs into the PSD strategy (to be prepared by UNDP). • UNDP original draft outline was reviewed and recommendations formulated for ensuring sustainability and relevance to actual ongoing PSD processes and viable priorities. • In the framework of overall approach to Iraq's PSD strategy, UNIDO suggested the following specific areas to be addressed with particular attention: baseline assessments, taxonomy of non-agricultural business, decentralization and devolution, importance of the oil sector, role of SOEs as engine of growth of Iraqi economy, stimulation of private sector productivity and efficiency, access of the private sector to information technology. • Various studies and reports were collected and analyzed, to be integrated later in 2011 into other UNIDO relevant activities (Industrial Strategy, Investment Map) for formulation and transmission of final inputs.
1.3.2. GoI Prime Minister's Advisory Board and other concerned ministries supported for an SME-friendly regulatory framework.	<p><i>[Activity supported by UNIDO]</i></p> <ul style="list-style-type: none"> • UNIDO is expected to comment on proposed SME legislation for harmonization and consistency with other legislative and regulatory frameworks.
1.3.3. Strengthened national capacities of business development services and Non-Bank Financial Institutions	<p><i>[Activity supported by UNIDO]</i></p> <ul style="list-style-type: none"> • NTR
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
2.1.2. Local institutions supported in the production of Local Economic Recovery (LER) strategies in harmony with Provincial Development Strategies (PDS).	<p><i>[Activity supported by UNIDO]</i></p> <ul style="list-style-type: none"> • NTR
2.2.1. Technical support provided to identify priorities and program implementation in the sector "Industries"	<p><i>[Activity 2.2.1c (Industries) led by UNIDO: achievement rate at 25%]</i></p> <p>Rehabilitation of three agro-industrial SOEs:</p> <ul style="list-style-type: none"> • The contract for the execution of the feasibility studies was awarded, the feasibility studies were officially launched • An Economic Development expert and two senior Iraqi industrial development and restructuring experts were recruited in November 2010 • Briefing missions of the Economic Development Expert and the sub-Contractor's Team Leader took place in Vienna in November-December 2010 • The management of the SOEs was mobilized and a complementary data collection process was initiated • Arrangements for missions to Iraq of the sub-Contractor's Team Leader and of the Economic Development expert in the period January-February 2011 were initiated. <p><i>[Activity 2.2.1d (Business Development Services) supported by UNIDO]:</i></p> <ul style="list-style-type: none"> • UNIDO Project Assistant in Baghdad participated in the ILO inception workshop in Erbil on 5 October 2010 where the programme was presented to Iraqi stakeholders (local Chambers of Commerce and Business Information Centres, Federation of Industries and Chambers of Commerce).

	<ul style="list-style-type: none"> • The CTA participated in a meeting on 20 December 2010 organized by UNDP with the Italian Federation of Chambers of Commerce (Unioncamere, starting a parallel project in the same file under Italian/own funding), in the framework of a MoU signed by UNDP on 30 September 2010 to discuss possible synergies and complementarities; basic principles were discussed and preliminarily agreed upon (subject to a review and follow up by ILO who did not attend the meeting) • UNIDO contribution to this activity was reviewed, in order to better link it to other upstream and downstream activities of UNIDO competence (in particular: Industrial Strategy, study tour to Brazil and SOEs rehabilitation) and to better ensure tangible deliverables. • According to the revised work plan (under preparation), training of Counsellors (Business Development Service providers) will be delivered but in a wider framework of local PSD, targeting local new and/or existing businesses and SOEs excess employees as well as of enhanced participation of Iraqi entrepreneurs and PS associations. • The revised plan and ToR for procurement of serviced will be finalized by February 2011.
Procurement (major items)	<ul style="list-style-type: none"> • Procurement procedures were launched and completed in the period for: <ul style="list-style-type: none"> - The recruitment of six international and two local experts - The sub-contracting of the feasibility studies for the three SOEs in Anbar and Basra.

Main Implementation Constraints and Challenges

- Continued challenges in terms of general logistic and security constraints.
- It is still unclear whether the formation of a new government (under way at the end of December 2010) might affect the scope of some PSDP-I activities and/or actual timing, due to possible delayed decisions and change of officials.
- From an operational point of view, an important constraint is represented by the lack of sufficient data on state owned enterprises and on the private sector, for comprehensive analysis and assessments, as the result also, in general, of difficult access to data in Ministries, as well as of the lack to well organized information systems.

E. FAO

Funds Committed	USD 1,800,000	% of received	45%
Funds Disbursed	USD 1,600,000	% of received	40%
Forecast final date	On Schedule	Delay (months)	0

Direct Beneficiaries	Number of Beneficiaries ¹⁶	% of planned (current status) ¹⁷
Men	n/a	n/a
Women	n/a	n/a
Children	n/a	n/a
IDPs	n/a	n/a
Others	n/a	n/a
Indirect beneficiaries	All citizens of Iraq.	n/a
Employment generation (men/women)	n/a	n/a

Quantitative achievements against objectives and results

IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq

Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates

35%

Qualitative achievements against objectives and results

A technical meeting took place on ½ November 2010 in Beirut with all stakeholders involved in FAO PSDP-I, including PMAC-Agriculture Advisor's Office, MOA, MOWR, Directors of Agriculture in Basra, Anbar and Erbil as well as FAO technical staff from HQ, the Regional Office and FAO-Iraq field office.

¹⁶ Number of beneficiaries may not be quantified as the current interventions are on a policy, advisory and legislative level benefitting the Government of Iraq and designated governorates.

¹⁷ The project document does not define concrete numbers of beneficiaries to be targeted.

<p>The meeting revised progress to date, announced satisfaction of delivery and coordination and approved the previously designed work plan. The meeting focused primarily on the implementation of both the training program and the downstream pilot projects, where specific actions, tasks and dates were decided.</p> <p>A meeting report was prepared during the last session, translated into Arabic, endorsed by all participants and subsequently shared with Iraqi counterparts and also with the Governorates Steering Committee established for the PSDP-I at the three governorates of Basra, Anbar and Erbil.</p>	
<p>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</p>	
<p>1.1.2 A comprehensive assessment of legislative, institutional and sectoral needs to assist GoI to properly design policies for PSD is in place.</p>	<p><i>[Activity supported by FAO]</i></p> <ul style="list-style-type: none"> • 9 December 2010: FAO Legal Officer from HQ along with FAO Programme Coordinator met with the UNIDO team from the field and HQ visiting Amman. The meeting revised FAO's accomplishments on the legal revision and drafting as well as FAO's inputs to the Legislative Revision Report. • Further legislative revision is planned for legal documents to be received from the Head of the Legal Department at MOA
<p>1.1.3 Legislation relating to SOE corporatization (amendment of Law 22), privatization, investment law rules and regulations, land title reform, competition, PPPs, mitigation package, agricultural and trade policies are available</p>	<p><i>[Activity supported by FAO]</i></p> <ul style="list-style-type: none"> • As part of the agricultural legislative framework, the MOA drafted laws (supported by FAO) on animal health, the Quarantine Law, Fisheries Law and Seed Law are all in the final stages of approval by the GoI. FAO is coordinating with MOA and will draft and provide a model Food Safety Act for MOA to use as an overarching law that coordinates with all legislation that affects food.
<p>1.1.4 Knowledge of officials on key policy issues for enterprise development to support the design and implementation of relevant legislative and institutional frameworks is increased.</p>	<p><i>[Activity supported by FAO]</i></p> <ul style="list-style-type: none"> • The approved concept note on the training that was endorsed by the Iraqi counterparts was communicated to training centres and respective proposals were received. • The Jordanian National Centre for Agriculture Research and Extension (NCARE) was selected to conduct the training. • A Memorandum of Understanding (MOU) was prepared with NCARE detailing the training program, modules, venues, field visits, trainers, sessions, etc, • FAO requested the Iraqi counterparts at MOWR and the three governorates to nominate participants. • As per the approved work plan, jointly designed with the Iraqi counterparts, the training activities are to commence in early February 2011.
<p>1.1.7 Private Sector Development Strategy including investment, private farming, trade for the agriculture sector is created.</p>	<p><i>[Activity supported by FAO]</i></p> <ul style="list-style-type: none"> • NTR
<p>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</p>	
<p>2.2.1 Technical support provided to identify priorities and program implementation in the agricultural sector</p>	<p><i>[Activity 2.2.1e (agricultural sector) led by FAO: achievement rate at 35%]</i></p> <ul style="list-style-type: none"> • During the Beirut meeting in early November 2010, participants (including FAO's Regional Office Advisor) discussed the concept note on the Agriculture Information Center (AIC) for the downstream pilot projects and agreed on its final design. Results were shared with all relevant Iraqi counterparts. • A study tour to Jordan for Iraqi officials is planned to expose them to the Jordanian AIC experience and to lead to a decision on the specifications of the portal, the software and hardware. Preparations for the event, scheduled for February 2011, are ongoing and closely coordinated with FAO Jordan and the MoA of Jordan. • Nominations for participants were requested from MOA, MOWR and the three governorates of Basra, Anbar and Erbil. • The three governorates have already allocated premises to host the Centers: Basra University in Basra, Agriculture Directorate in Anbar and MOA in Erbil. Those 'spaces' will be equipped with PC units configured

	with the AIC software; the design of which will be tailored to Iraq's specific situation.
Procurement	<ul style="list-style-type: none"> NTR

Main Implementation Constraints and Challenges

The main constraint during the reporting period pertained to the absence of a Minister of Agriculture and the creation of the new government which delayed decision making at MOA. However and to overcome this obstacle, all preparatory work, discussions and technical issues were covered pending final endorsement from the Minister of Agriculture to be appointed.

F. UN-HABITAT

Funds Committed	USD 616,491	% of received	41.1%
Funds Disbursed	USD 492,907	% of received	32.8%
Forecast final date	On Schedule	Delay (months)	0

Direct Beneficiaries	Number of Beneficiaries ¹⁸	% of planned (current status) ¹⁹
Men	n/a	n/a
Women	n/a	n/a
Children	n/a	n/a
IDPs	n/a	n/a
Others	n/a	n/a
Indirect beneficiaries	All citizens of Iraq.	n/a
Employment generation (men/women)	n/a	n/a

Quantitative achievements against objectives and results

IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates	18%

Qualitative achievements against objectives and results

IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
1.1.2 A comprehensive assessment of legislative, institutional and sectoral needs to assist GoI to properly design policies for PSD is in place.	<p><i>[Activity supported by UN-HABITAT]</i></p> <ul style="list-style-type: none"> The legal consultant team continued to refine the legislative assessment report and findings and recommendations were presented and discussed with the Working Group on Land Tenure and Utilisation in December 2010. A workshop with the land tenure consultants resulted in the finalization of the study in informal land tenure practices.
1.1.3 Draft legislations related to SOE corporatisation (amendment of Law 22), privatisation, investment law rules and regulations, land title reform, competition, PPPs, mitigation package, agricultural and trade policies are available.	<p><i>[Activity supported by UN-HABITAT]</i></p> <ul style="list-style-type: none"> November 2011: The Chair of the Land Management Working Group attended a 2-day meeting with the international legal consultant in Amman to identify priority actions for the working group in 2011 and to determine the level of support needed from UN-HABITAT. Recommendations were reviewed by the working group in December and a work plan was drafted.
1.1.4 Increased knowledge of officials on key policy issues for enterprise development to support the design and implementation of relevant legislative and institutional frameworks	<p><i>[Activity supported by UN-HABITAT]</i></p> <ul style="list-style-type: none"> An outline plan for a Land Policy Reform Process was prepared, shared and reviewed by the Working Group. Preparation work underway for a Study Visit to Berlin in order to develop appropriate strategies for land management in relation to private sector development

¹⁸ Number of beneficiaries may not be quantified as the current interventions are on a policy, advisory and legislative level benefitting the Government of Iraq and designated governorates.

¹⁹ The project document does not define concrete numbers of beneficiaries to be targeted.

1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available	<i>[Activity supported by UN-HABITAT]</i> <ul style="list-style-type: none"> UN-HABITAT commented on the outline of the PSD Strategy prepared by UNDP
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
2.1.3 Strengthen governorate-level construction and development institutions to implement and sustain local planning capacities	<i>[Activity supported by UN-HABITAT]</i> <ul style="list-style-type: none"> NTR
2.2.1 Technical support provided to identify priorities and program implementation in sector of Construction and Development Companies	<i>[Activity 2.2.1f (Construction and development companies) led by UN-HABITAT: achievement rate at 18%]</i> <ul style="list-style-type: none"> GSCs indicated preference to the option of undertaking training for unemployed youth in construction and business development support for small scale contractors UN-HABITAT contributed to the development of the Business Packages document Foundation for Technical Education (FTE) identified as a project partner. An inception meeting took place in December involving GSC representatives, MoLSA, MoE and FTE and resulted in an agreement on the details of planned activities.
Procurement	<ul style="list-style-type: none"> NTR

Main Implementation Constrains and Challenges

Substantive challenges:

- NTR

Management/Logistic challenges:

- Logistic and practical problems continue to present a challenge to programme delivery.
- Movement limitations of local consultants.
- Restrictions on slots have limited UN-HABITAT staff and consultant visits to Baghdad.

G. UNIFEM

Funds Committed	USD 375,027	% of received	43.9%
Funds Disbursed	USD 375,027	% of received	43.9%
Forecast final date	On Schedule	Delay (months)	0

Direct Beneficiaries	Number of Beneficiaries ²⁰	% of planned (current status) ²¹
Men	n/a	n/a
Women	n/a	n/a
Children	n/a	n/a
IDPs	n/a	n/a
Others	n/a	n/a
Indirect beneficiaries	All citizens of Iraq.	n/a
Employment generation (men/women)	n/a	n/a

Quantitative achievements against objectives and results

IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
Output 1.1: National capacities for private sector development policies are strengthened.	35%
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
Output 2.1: Local economic strategies and plans developed in line with national and provincial frameworks in three governorates.	12%

²⁰ Number of beneficiaries may not be quantified as the current interventions are on a policy, advisory and legislative level benefitting the Government of Iraq and designated governorates.

²¹ The project document does not define concrete numbers of beneficiaries to be targeted.

Qualitative achievements against objectives and results	
IP Outcome 1: The policy and regulatory environment is more conducive to private sector development	
1.1.2 A comprehensive assessment of legislative, institutional and sectoral needs to assist GoI to properly design policies for PSD is in place	<i>[Activity supported by UNIFEM]</i> <ul style="list-style-type: none"> • NTR
1.1.3 Draft legislations related to SoE corporatisation (amendment of Law 22), privatisation, investment law rules and regulations, land title reform, competition, PPPs, mitigation package, agricultural and trade policies are available.	<i>[Activity supported by UNIFEM]</i> <ul style="list-style-type: none"> • NTR
1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available	<i>[Activity supported by UNIFEM]</i> <ul style="list-style-type: none"> • UNIFEM is preparing a second draft of its White Paper on women's participation in employment and private sector development and will share it with UN partners and Iraqi counterparts working on the strategy. The study will be translated into English after getting the feedback from all partners. • UNIFEM is preparing to conduct a high level round table meeting in January 2011 in Baghdad to discuss and initiate the process of creating a business women association and to formulate a group of experts who will be working on drafting the bylaws and the strategy .This meeting will be attended by 30 participants from the private sector taskforce, Iraqi businessmen association, working groups on the private sector programme and SMOWA.
1.1.8 Gender is mainstreamed in the program ensuring women`s full participation in policy and strategy design	<i>[Activity led by UNIFEM: achievement rate at 35%]</i> <ul style="list-style-type: none"> • UNIFEM is preparing to conduct another training workshop on mainstreaming gender in the private sector development programme for 40 participants from the Task Force for Economic Reforms (TFER) and members of the programme working Groups. This training is anticipated to take place in January 2011 and will focus on building the capacities of the participants on gender and women`s human rights concepts and perspectives.
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
2.1.3 Strengthen governorate-level construction and development institutions to implement and sustain local planning capacities	<i>[Activity supported by UNIFEM]</i> <ul style="list-style-type: none"> • NTR
2.1.4 Promote gender mainstreaming and women participation in local strategies and plans	<i>[Activity led by UNIFEM: achievement rate at 12%]</i> <ul style="list-style-type: none"> • UNIFEM is preparing to conduct three bilateral meetings on January 2011 with the Area Coordinators of the private sector programme in Anbar, Basra and Erbil to set out the main directions of its activities and to widen UNIFEM`s participation at the governorate level.
Procurement	<ul style="list-style-type: none"> • NTR

Main Implementation Constraints and Challenges
<ul style="list-style-type: none"> • At the governorate level, UNIFEM requests its technical role to be revised. According to the design of the project our role is minimum. It was agreed in the management team meeting that UNIFEM`s role within the governorate level should be enhanced. UNIFEM will request a budget revision to make sure that there are sufficient funds under outcome 2.