



**IRFFI/UNDG IRAQ TRUST FUND (UNDG ITF)**

**ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT**

**REPORTING PERIOD: 1 JANUARY –31 DECEMBER 2011**

***Submitted by:***

FAO – Food and Agriculture Organization of the United Nations  
Fadel El Zubi  
OiC FAO Iraq in Amman  
[fadel.elzubi@faoiraq.org](mailto:fadel.elzubi@faoiraq.org)  
Tel. 00962 655 625 50

***Country and Thematic Area***

Iraq, Agriculture and Food Security Sector

***Programme No:*** A5-24

***Programme Title:*** Modernization and Development of the Dairy Cattle Sector in Iraq

***Participating UN Organization(s):***

Food and Agriculture Organization of the UN (FAO)

***Implementing Partners:***

Iraq Ministry of Agriculture

***Project Budget:***

UNDG ITF: USD 4,424,670  
Govt. USD 13,400,000 (in kind under MOA)  
Total: US\$ 17,824,670

***Programme Duration (24 months):***

Start date: October 17, 2008

End date: October 16, 2010

First Extension : July 17, 2011

Second Extension : May 15, 2012

## I. Purpose

*Provide the main outputs and outcomes/objectives of the programme*

The development goal of the project is to increase income, improve nutrition, health and well being of the Iraqi population. Its objectives are to enhance the production and increase the productivity of milk and meat of the dairy herds in Iraq, through strengthening rural and institutional technical and management capacities and creating market and employment opportunities along the dairy value chain in both rural and urban areas.

Main outcomes are:

- Enhanced production and increased productivity of milk and meat of the dairy herds in Iraq.
- Strengthened rural and institutional technical and management capacity.
- Enlarge the private sector base for participation in the development of dairy sector.

Main outputs are

- Regional semen distribution centres established equipped and activated.
- Embryo transfer techniques implemented for dairy cattle breeding.
- Efficient milk collection and outlet systems established.
- Strengthened rural and institutional capabilities.
- Milk performance recording and monitoring schemes initiated at farmers level.
- Macro level: Policy frame work for the dairy sector formulated.
- Meso level: Technical skills programme implemented.
- Financing scheme implemented for small dairy producer groups.
- Micro level: Value added products.

*Explain how the programme relates to the Strategic (UN) Planning Framework guiding the operations of the Fund.*

### ICI

FAO will ensure project activities are integrated into the overall UN strategy for Iraq. The International Compact with Iraq (ICI) in its Agriculture Strategy specified goal: “To develop a stable, competitive and sustainable agriculture to enhance food security and rural incomes, generate rural employment, diversify economic growth and protect the natural environment.”

The following ICI benchmarks with indicative actions are relevant to the project:

- Benchmark # 4. Improve institutional and regulatory underpinning of public agriculture;  
Indicative actions: over 2008-2010, strengthen the technical and management capacity of agricultural organization (priority action) JMM 4-2008.
- Benchmark # 5. Carry out investment plans;  
Indicative actions: By 2008, develop financing plans and mechanisms including public and private sources (priority action):
  - Rehabilitate damaged physical infrastructure.

- Improve delivery of public agriculture services.
- Improve the efficiency of agricultural information services.

#### NDS:

The project is designed to directly contribute to Iraq's National Development Goal number 1 to "Eradicate Hunger and Poverty" through its first pillar, "Strengthening the foundations of economic growth," which foresees to:

- Transform the structure of the Iraqi economy to allow for a greater role for Agriculture.
- Establish agricultural demonstration sites throughout Iraq to reinvigorate livestock production and boost rural job creation.

In light of this project, the following NDS prioritized actions will be taken:

- Development of a viable agricultural extension service to develop and disseminate successful production practices.
- Increasing production and productivity.

Moreover, the project will also increase primary milk production and availability of milk and milk products in the market, thereby alleviating the people's dependency on the Public Distribution System (PDS) also mentioned in the NDS.

## **II. Resources**

### Financial Resources

*Provide information on other funding resource available to the project, if applicable.*

The GOI is contributing USD\$ 13,400,000 of in-kind support provided to the MOA.

*Provide details on any budget revisions approved by the appropriate decision-making body, if applicable.*

Not applicable. The original end date of the project is October 16, 2010. But the project has been extended until 15 May, 2012.

*Provide information on good practices and constraints in the mechanics of the financial process, times to get transfers, identification of potential bottlenecks, need for better coordination, etc.*

So far there has been no constraint to the financial processes

### Human Resources

*National Staff: details on the number and type (operation/programme)*

This project has 2 national staff (NPOs), one in Salah Aldeen governorate and the second in Wasit governorate to follow up the implementation in the field and to coordinate with MOA and local councils.

*International Staff: details on the number and type (operation/programme)*

This project has one international Project Manager based in Amman who is in charge of the implementation of all the project activities in coordination with the two National Project Officers (NPOs), MOA and the local councils, and who is preparing monthly, quarterly and yearly reports to the FAO headquarters and donors.

### III. Implementation and Monitoring Arrangements

*Summarize the implementation mechanisms primarily utilized and how they are adapted to achieve maximum impact given the challenging operating context.*

This project is executed by FAO and implemented together with the Ministry of Agriculture. FAO ensures a timely recruitment of project personnel in collaboration with the Ministry of Agriculture; including the two NPOs to coordinate project activities from Salah-Aldeen and Wasit .The International project manager based in Amman is in constant contact with the NPOs and FAO Headquarter and will visit the field whenever it is possible.

The project is implemented with the full participation and significant resource inputs from the Iraqi MOA and allied institutions, being:

- the General State Companies for Livestock Services (GSCLS) is concerned with the large scale implementation of modern technologies in the field;
- the General State Company for Veterinary Services (GSCVS) provides all the veterinarian services required;
- the State Board for Agricultural Extension Services (SBAES) is introducing the modern technology to the farmers and producers and develop their capacities;
- the State Board for Agricultural Research (SBAR) is responsible for the development of technology on research level. With regard to this programme, they are most directly involved in the embryo transfer techniques.

The development and delivery of the project is achieved through a participatory approach including consultations and interactions with key national livestock staff and training of trainers who, in turn, will train regional livestock and veterinary staff. In addition, the local authorities and livestock farmers' communities jointly undertake the project activities with FAO assistance.

Due to the prevailing poor security situation at present in Iraq, management by international staff is done from FAO-Iraq offices in Amman, Jordan. Management decisions are influenced by periodic progress reports from the field. The Project Manager stationed in Amman is in constant communication with the National Project Officers (NPOs) in Iraq via telephone, e-mail and video conferencing and will visit the field whenever it is possible. The NPOs also travel to Amman when necessary to discuss programme planning, monitoring, and technical specification and bids evaluation review on procurement issues. A Project Steering Committee is also meeting in Amman and.

Direct contacts are made with related technical counterparts in each of the targeted governorates on a regular basis. National experts and resource persons from research, training institutions and universities are involved to advise on specific matters of the programme and for in-country training activities, field surveys and studies. The Ministry of Industry is closely involved as they are the owners of some existing milk collection centre buildings.

Implementation Committees, one for each of the planned three milk collection centres, were formed including the representatives of local authorities, local livestock extension services, farmer's communities, dairy producer groups and other stakeholders. These committees help in implementing and disseminating the proposed technological and management packages. The project implementation process is fully

participatory, designed to maximize the involvement of the target groups. In the project management and overview process the above actors are actively involved through the establishment of a Project Steering Committee which has met twice in Amman during the reporting period. The Project Steering Committee typically provides guidance on the implementation of activities and recommend alternative course of actions when required. The project has also closely involved the private sector from the onset (including dairy processing factories, marketing structures, equipment manufacturers, private veterinary clinics etc) in order to assure economic sustainability, necessary complementarities and synergies all along the whole dairy value chain.

*Provide details on the procurement procedures utilized and explain variances in standard procedures.*

Timely procurement and delivery of the required equipment and supplies and timely organization of training courses are considered major elements that determine the success of the project implementation strategy. The standard FAO procurement procedures, consisting of tendering through an invited bidding process, are applied for procurement of all goods and services for this project.

The procurement process as utilized by FAO is as follows:

- Identification of inputs or services required undertaken jointly by FAO/Iraqi Line Ministry;
- Preparation of detailed specifications, drawings, delivery time and destination by FAO/Iraqi Line Ministry;
- Listing of local potential suppliers provided by Iraqi Line Ministry and FAO Procurement Service;
- Tenders launched by FAO inviting local and international potential suppliers;
- Technical review of the offers received and preparation of recommendation carried out jointly by FAO/Iraqi Line Ministry;
- Purchase Orders or Contracts issued by FAO.

*Provide details on the monitoring system(s) that are being used and how you identify and incorporate lessons learned into the ongoing programme/project.*

Monitoring systems: Telephone calls, e-mails and reports as well as periodic visits to Amman of NPC and counterparts (national counterparts and MOA) and to Iraq by the project manager (whenever security permits) takes place for the monitoring and follow up on implementation of the project. Continuous copying of the chain of events and correspondence to all pertinent parties are essential in monitoring of the project details. As per the monitoring system put in place, a monthly progress report from the NPC in the field is received by the CTA who in turn prepares a monthly, quarterly and annual monitoring reports consisting of parameters, such as project activities as outlined in the work plan, projected dates for the completion of the outlined activities and current status of each project activities both in terms of time and status of work. The CTA then submits the reports to the OIC of FAO-Iraq Programme for necessary action and on-forwarding to the Operations Division at headquarters.

*Report on any assessments, evaluations or studies undertaken relating to the project and how they were used in support of the project*

Field staff has conducted a field survey to identify project beneficiaries and to quantify the number of dairy cattle and lactating cows, the quantities of milk production per day, and the percentage of breeders using artificial insemination in the five districts which the project is focussing on for this activity. 1399 questioners were filled with the beneficiaries in Al-Sewara, Al-Haffriya, Al-Eshaki, Al-Taji, Al-Wehda. The following data was collected for each of the district:

1) Sewara District:

- a-The estimated number of Dairy cattle is about (4362) cows.
- b-The estimated number of Lactating cows about (1944) cows.
- c-The estimated quantities of milk production per day is about (19440) lit / day.
- d-The estimated percentage of Breeders who's using A/I in the area is about 70%.

2) Haffriya District:

- a-The estimated number of Dairy cattle is about (3433) cows.
- b-The estimated number of Lactating cows about (2380) cows.
- c-The estimated quantities of milk production per day is about (23800) lit / day.
- d-The estimated percentage of Breeders who's using A/I in the area is about 70%.

3) Eshaki District:

- a-The estimated number of Dairy cattle is about (528) cows.
- b-The estimated number of Dairy Cattle about (1500) cows and those recorded at 2006.

4) Taji District:

- a-The estimated number of Dairy cattle is about (10952) cows.
- b-The estimated number of Lactating cows about (6279) cows.
- c-The estimated quantities of milk production per day about is (62790) lit / day.
- d-The estimated percentage of Breeders who's using A/I in the area is about 20%.

5) Wehda District:

- a-The estimated number of Dairy cattle is about (1551) cows.
- b-The estimated number of Lactating cows about (472) cows.
- c-The estimated quantities of milk production per day is about (4720) lit / day.
- d-The estimated percentage of Breeders who's using A/I in the area is about 30%.

#### **IV. Results**

*Provide a summary of Programme progress in relation to planned outcomes and outputs; explain any variance in achieved versus planned outputs during the reporting period.*

In practical terms, the project is centred around three main interventions:

- (i) For the milk collection centres, all rehabilitation civil work has been completed; all equipments had been received, installed and tested.
- (ii) Support regional antennas of the central artificial insemination facilities: No major procurement was foreseen for this component, as MOA is supplying necessary equipment.

*Report on the key outputs achieved in the reporting period including the number and nature of the activities (inputs), percentage of completion and beneficiaries.*

- Procurement Component: all equipment and supplies planned under the project have been either delivered or are been in the process of delivering
  - Local procurement of 6 tons concentrated feed was completed.

- Vacuum pumps and sonar were delivered successfully to MOA as a part of the dairy project activities.
  - Procurement of frozen embryos: the second batch of the frozen embryos will be delivered in (30 April 2012).
  - Local procurement for extra equipments requested by MoA, the list includes Incubators and other equipments which are necessary for the adaptation of embryo transfer technology will be delivered in April.
  - Complementary equipments including water cooling units were requested by MOA/MOI for three milk collection centres, procurement these equipments are almost completed and will be deliver to Iraq soon.
- Training Component:
    - A complementary advanced embryo transfer training, the preparation for the training course was completed, signing of LoA with the training institute is under process and will be conducted in Australia from 30 April, to 7 may 2012, the training nominees will be the same participants of the last training course (five participants).
    - An advance study tour in Morocco on the legislations and Regulations within these production groups had been completed in November, 2011.
    - local training sessions and demonstrations that should be conducted in Iraq by Iraqi participants in international trainings organized by the project in Tunisia, Morocco and Lebanon on good practices in dairy herd management, milk quality, hygiene and benefits of farmer's organizations into groups, the program was prepared and all logistics arrangements were done and will be conducted after Arab summit (early April).
  - Milk Collection Centre Component:
    - The Installation of the main equipments of the milk collection of Al-Sewera, al-Wehad and AL-Taji centres were completed. All extra equipments requested by MoA, including the second patch of cooling system had been received and under installation.

<b>Quantitative achievements against objectives and results</b>			
IP Output 1.1 : Regional semen distribution centres established, equipped and active	Carry out a detailed inception / dairy cattle production system study completed	% of planned	100
	Identify project beneficiaries	% of planned	100

IP Output 1.2 : Embryo transfer techniques implemented for dairy cattle breeding	Finalize development & adaptation of embryo transfer and implantation techniques	% of planned	100
	Identify project beneficiaries using results of Livestock survey. Due to delay in releasing the data from MOPD, an initiative was taken by the field staff and a data regarding the	% of planned	100
	Identify pilot dairy farmers for initial field implementation of embryo transfer	% of planned	100
	Training of technical staff abroad	% of planned	100
	Organize field demonstrations for small and medium size farmers	% of planned	10
	Local training of technical staff	% of planned	100
	Procurement and installation of equipment	% of planned	85
IP Output 1.3 : Efficient milk collection centres established	Identify suitable existing milk collection centres.	% of planned	100
	Identify rehabilitation needs. BOQs and digrammes of the buildings of Al-Wehda, Al-sawara and Al-Taji milk collection centres were completed.	% of planned	100
	Rehabilitation of Al-Sawara centre was completed.	% of planned	100
	Rehabilitation of Al-wehda centre was completed	% of planned	100
	Rehabilitation of Al-Taji centres	% of planned	100
	Procurement & installation of equipment	% of planned	85
	Training/field demonstrations on dairy handling	% of planned	20
	Establish systems of milk collection including quality, storage, marketing etc	% of planned	60
Training of milk collection centre staff	% of planned	100	
Training on milk collection tanker	% of planned	100	
IP Output 2.1 : Strengthened rural	Establish producer groups and associations with selected farmers delivering milk to the centres	% of planned	100

and institutional capabilities	Provide technical, policy and legislative advice to MOA and beneficiaries on producer groups	% of planned	80
	Conduct training for groups, organize field days, awareness campaigns and demonstrations on the above topics	% of planned	20
	Conduct MOA staff training on artificial insemination techniques, system and managements	% of planned	100
	Conduct MoA staff training on dairy development, breeding, milk collection, handling, processing, marketing, dairy association	% of planned	100
	Study tour for production groups and MoA Staff on dairy production system, establishing association milk production marketing and processing system.	% of planned	100
Output 2.2: Milk performance recording and monitoring schemes	Training Workshop on Animal ID and Recording Systems was conducted in Amman 18-22/1/2010, 15 Iraqi, 4Jordainian and 4 Palestinian were participated.	% of planned	100

*Explain, if relevant, delays in programme/project implementation, the nature of the constraints and actions taken to mitigate future delays and lessons learned in the process.*

- There was a delay in the procurement of the embryo transfer material, because the supplier has some difficulty with the delivery dates of embryo transfer. This material cannot be procured locally and has to be produced in a specific season of the year and through international tender, this procure item is the core item of whole project, the training will be completed after the material has been received. Based on all the above, a time extension until 17 July 2011 was requested by FAO to complete the remaining activities.
- Security status and slow responses at times from MOA have caused some delay in the implementation according to the work plan, in particular on the rehabilitation of the milk collection centres and on the embryo transfer component.
- Also the identification of additional required equipment and the subsequent preparation of technical specifications for large amounts of equipment and supplies through the agreed collaborative process between FAO and MOA experts were important but time consuming. Moreover so since the given budget limitations required certain priorities and strategic choices to be made.

*List the key partnerships and collaborations, and explain how such relationships impact on the achievement of results.*

The main implementing partners are the Iraqi Ministry of Agriculture in general, and the Department of Animal Production and the General Company for Livestock in particular. These are directly responsible for all the animal production issues and activities inside Iraq and are the main counterparts of FAO for this project. The project directly targets, supports and collaborates with the senior management staff of these institutions as well as with their animal production personnel in the field. The private sector is also

involved in the implementation, where two large private dairy stations are going to be used as a model for the implementation of all project activities. FAO will also seek collaboration with a variety of international expert institutions for institutional development and technical training.

*Other highlights and cross-cutting issues pertinent to the results being reported on.*

The following cross-cutting issues were considered while designing the project; however it is too early to fully assess their precise impact at this stage:

Human rights: Adequate nutrition and income are basic and fundamental human rights and they are essential for human dignity. Also the Universal Declaration of Human Rights, as adopted by the General Assembly of the United Nations, is clearly stating that everyone has the right to a standard of living adequate for the health and well being for himself and of his family, including food (See status on nutrition page 5). The project seeks to contribute to raising the nutritional status and well being of the people.

For as far as employment and income are concerned, due to the size and importance of the dairy production value chain, the sector has great potential for providing employment and income generation opportunities both in rural and urban areas. The project especially targets the already under-privileged and marginalized rural population and smallholders. Unlike other agricultural activities/sectors which can be seasonal, milk production is a continuous process, and selling milk will allow a steady income to the producers. Delivery to the milk collection centres will avoid losses and price fluctuations and guarantee a minimum of regular income.

Gender equality: The labour force in the farming community comprises men and women and therefore both will be addressed along the production, processing and distribution chains in rural and urban areas of Iraq as well as in extension and awareness exercises. Women in rural areas of Iraq have traditionally an important role in livestock rearing, especially in milking, milk handling and processing of milk products. Women will therefore fully benefit from training and capacity building activities included in the project.

Key environmental issues: Appropriate management of the herds in terms of feeding, breeding, reproduction, hygiene and health care will result in enhanced productivity, better fertility and higher reproductive efficiency of the cows and lower mortality of the calves. Improvement of production and food intake efficiency will diminish soil and ground water contamination by waste and excess nitrates and phosphorus excretion. However, animal by-products and manure will enable organic farming as organic fertilizer can replace chemical fertilizers. The project aims at creating sustainable milk processing and outlet channels and quality control systems. This will reduce post-harvest losses and public health risks. At the same time, it will also generate safe animal products such as meat and milk, the most important sources of animal protein and will contribute to improvement of the nutritional status and well being of the Iraqi consumers.

Employment generation: In each of the two targeted governorates, the project will involve at least 500 small to medium size dairy producers that will be organized around milk collection centres. Increased production efficiency through project interventions and improved organization of the sub-sector at community and village levels will create a demand for labour. Dairy production is well known to require intensive labour force at farm level for general management of the herd, including feeding, health care, hygiene, milking, milk handling, processing and transportation. The creation of semen distribution and milk collection centres and implementation of embryo transfer techniques for breeding will immediately increase indirect employment opportunities of technicians and workers. Subsequent delivery of the milk from the collection centres to processing plants and marketing the dairy products will further boost the demand for labour and technical staff. Being a continuous process, job creation in the dairy sub-sector is not seasonal, but it is normally sustained throughout the year and for long periods of time. Increased

indirect employment is also foreseen in fodder and roughage production, veterinary service requirements, dairy processing, marketing etcetera.

## **V. Future Work Plan (if applicable)**

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

The following activities will be implemented according to the work plan:

IP Output 1.2: Embryo transfer techniques implemented for dairy cattle breeding

- Organize field demonstrations for small and medium size farmers
- Procurement of frozen embryos.
- Basic training of technical staff locally.
- Advance training of technical staff abroad.

IP Output 1.3: Efficient milk collection centres established

- Delivery and installation of already procured equipment (tanker trucks, collection centre equipment etc)
- Instillation of the milk collection centres equipments
- Training of milk collection centre staff
- Establish functioning milk collection system including pricing, quality control, transport, marketing etc.

IP Output 2.1: Strengthened rural and institutional capabilities

- Establish producers groups and associations with selected farmers delivering milk to the centre.