



IRFFI/UNDG IRAQ TRUST FUND (UNDG ITF)

ANNUAL PROGRAMME PROGRESS REPORT FOR PROJECT

REPORTING PERIOD 1 JANUARY –31 DECEMBER 2011

Submitted by:

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

Country and Thematic Area

Agriculture, Food Security, Environment and Natural Resources Management

Programme No: A5-32

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

Participating Organization(s)

Food and Agriculture Organization of the UN

Implementation Partners:

Ministry of Agriculture (MOA)

Project Budget (from the Fund):

US\$ 5,000,000

Project Duration (in months):

Start date: 1 July 2010
Original End date: 30 June 2013
Review & Approval Dates
Line Ministry Endorsement Date: 1 March 2010
Concept Note Approval Date: 23 March 2010
SOT Approval Date: 23 March 2010
Pccr Group Review Date: 4 May 2010
ISRB Approval Date: 22 June 2010
Steering Committee Approval Date: 27 June 2010



I. Purpose

Provide the main outputs and outcomes/objectives of the programme

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

Main outcome:

- Enhanced production and productivity in the agricultural sector

Main outputs are:

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

The immediate objective of this project is to:

- Undertake urgent analytical and diagnostic work.

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

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

- Strengthening policy formulation, planning and budgeting capacities;
- Introducing conservation measures and best practice to conserve water;
- Introducing higher value crops to address the reduction in cultivated land;
- Address the dependence on imported agricultural products;



- Animal husbandry will need to become a declining function of growth;
- Aligning incentives to generate sustainable economic growth;
- Create jobs to address public sector right sizing and rural unemployment; and
- Reform agricultural finance, investment and markets to promote enhanced production and productivity.

In addition, The I-AGES project will pursue the attainment of three core millennium development goals (i) Goal (1): Eradicate extreme Poverty and Hunger (ii) Goal (7): Ensure Environmental Sustainability (iii) Goal (8): Develop a global partnership for development through this project. Goal (1) will be delivered through the development of a national agricultural policy aimed at broad-based growth, economic diversification and short and long term employment generation. Goal (7) will be pursued through environmental conservation and improved watershed and irrigation management practices. Goal (8) will be achieved through linking FAO and UN agency engagements within Iraq (including the PSD and I-PSM projects), to support global-national partnership.

II. Resources

Financial Resources:

No other funding resources are currently available for this project.

No budgetary revisions have been made.

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

Human Resources

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

One National Staff (Chief Technical Adviser) is responsible for providing technical support to the project (since August 2011).

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

III. Implementation and Monitoring Arrangement



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

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

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

No procurement procedures have been launched during 2011. The FAO standard procurement procedures will be used in 2012 for the training components of the first phase of the I-AGES Program. The procurement procedure followed is:

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

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

FAO will monitor the project following its own monitoring and evaluation guidelines and procedures, as described below. The Project Manager is submitting Monthly Reports to



the Project Director. These reports outline the progress, delays and risks to the project, including necessary actions to mitigate risks. In addition to that, there will be bi annual review meetings of the Project Steering Committee, at which each participating agency will present progress reports to the group. The Project Steering Committee will:

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

Regular technical meetings (PSSU) will take place to increase the volume of communication and exchange between FAO and the Iraqi Authorities and, to improve the quality and the efficiency of the Phase I (studies/surveys and trainings).

Report on any assessments, evaluations or studies undertaken.

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

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

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

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

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

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



IV. Results

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

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

Activities achieved and progressed during (Jan-Dec 2011):

- The First Inter-Ministerial Task Force Meeting was held in Beirut in June 2011. The meeting concluded with the signing of a communiqué expressing Government of Iraq support for the project, the implementation of the diagnostics, the adoption and design of a policy management process and the creation of national ownership and project management structures such as the Policy and Strategy Support Unit (PSSU) and the Steering Committee.
- Development of Terms of Reference for the Steering Committee.
- Training manuals were created for the 5 diagnostics and a training program developed.
- Completion of the growth diagnostic analysis component of Phase 1.
- Completion of the first stage of value chain analysis, including the compilation of existing studies and the selection of which value chains to study.
- Meetings with broader stakeholders to ensure coordination of I-AGES with other donor and Government of Iraq initiatives.
- Development of investment climate questionnaires for manufacturing and transportation.
- Completion of Letter of Agreement to be signed between ILO and FAO to facilitate the implementation of the labor survey component of Phase 1.
- PSSU staffing document developed and agreed upon with the Ministry of Agriculture.
- First meeting of the Project Steering Committee held in Amman,
- Agreed with PSC on a new program schedule, which envisions the postponement of its ultimate deadline and all the composing elements (except training schedules, yet undecided)
- Agreement with PSC on the overall training program outline.
- Policy and Strategy Support Unit established.
- Completion of Trade Volume analysis, pending only on update with 2011 data, as soon as they will be made available by beginning of 2012.



Primary research and training was delayed due to the strong capacity strengthening component and national ownership structure of the project. The project requires significant input from the Government of Iraq, especially MoA. Political constraints delayed the first meeting of the Inter Ministerial Task Force, the first meeting of the PSC and the first meeting of the PSSU. Consequently, the implementation of primary research and capacity strengthening was also delayed.

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

Outputs	Nature of activities	Beneficiaries	Achieved Indicator Targets
GoI and partners have improved knowledge and evidence base for the development of national agricultural policy and strategy	MOA /COSIT/NAPWG/ University staff trained and completed growth diagnostic design.	PSSU, GoI	75 %
	MOA /COSIT/NAPWG/ University staff trained and complete identification and analysis of agriculture growth indicators.	PSSU, GoI	75 %
	MOA /COSIT/NAPWG/ University staff trained and complete investment climate survey.	PSSU, GoI	15 %
	MOA /COSIT/NAPWG/ University staff trained and complete labor market survey.	PSSU, GoI	15 %
	MOA /COSIT/NAPWG/ University staff trained and complete value chain study.	PSSU, GoI	50 %
	MOA /COSIT/NAPWG/ University staff trained and complete trade volume analysis.	PSSU, GoI	50 %
GOI better able to formulate and implement the National Agriculture Policy	MoA trained on developing a National Agriculture Policy and writing the final version.	PSSU, GoI	0 %
GoI better able to develop and implement the agriculture sector investment strategy in line with national priorities	MoA trained on developing a National Agriculture Sector Investment Strategy and writing the final version.	PSSU, GoI	0 %

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

The lack of input to I-AGES from the Ministry of Agriculture has delayed implementation of the program by one year.



This was the result of the delay in the formation of the new Government following elections in 2010, which putted the project on hold during 6 months.

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

As MoA's Policy and Strategy Support Unit has been delegated to undertake much of the research and receive training, capacity strengthening and research based on primary data activities have been limited. The 6 months delay to organize the Inter-Ministerial Task Force Meeting, which permitted to officially establish the PSC and the PSSU and to assist in stakeholder management, delayed the implementation of the training and the launch of the primary data based studies.

While MoA's input is being sought, work progressed in other areas to ensure that risks are mitigated. Particular successes in this area include the completion of the final drafts of the Value Chain analysis, the Growth Diagnostic study and the Trade Volume Analysis.

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

In line with the Paris Declaration, I-AGES is managed directly by the Minister's Office within the MoA, supported by an Inter-Ministerial Task Force (with other core Ministries including Water Resources, Trade, Industry, Labour and Social Affairs, Planning and Development Cooperation, and Finance), a Project Steering Committee and a Policy and Strategy Support Unit, coordinated by FAO. The PSC is responsible for oversight of project implementation and to provide general policy guidance of the project and the PSSU must be trained to undertake primary and secondary data studies and analysis, with the support of the FAO technical team.

Partnerships have been developed with the International Labor Organization to undertake the Labor Survey and contacts will be build with different research organizations to train the members of the PSSU and other members of the MoA.

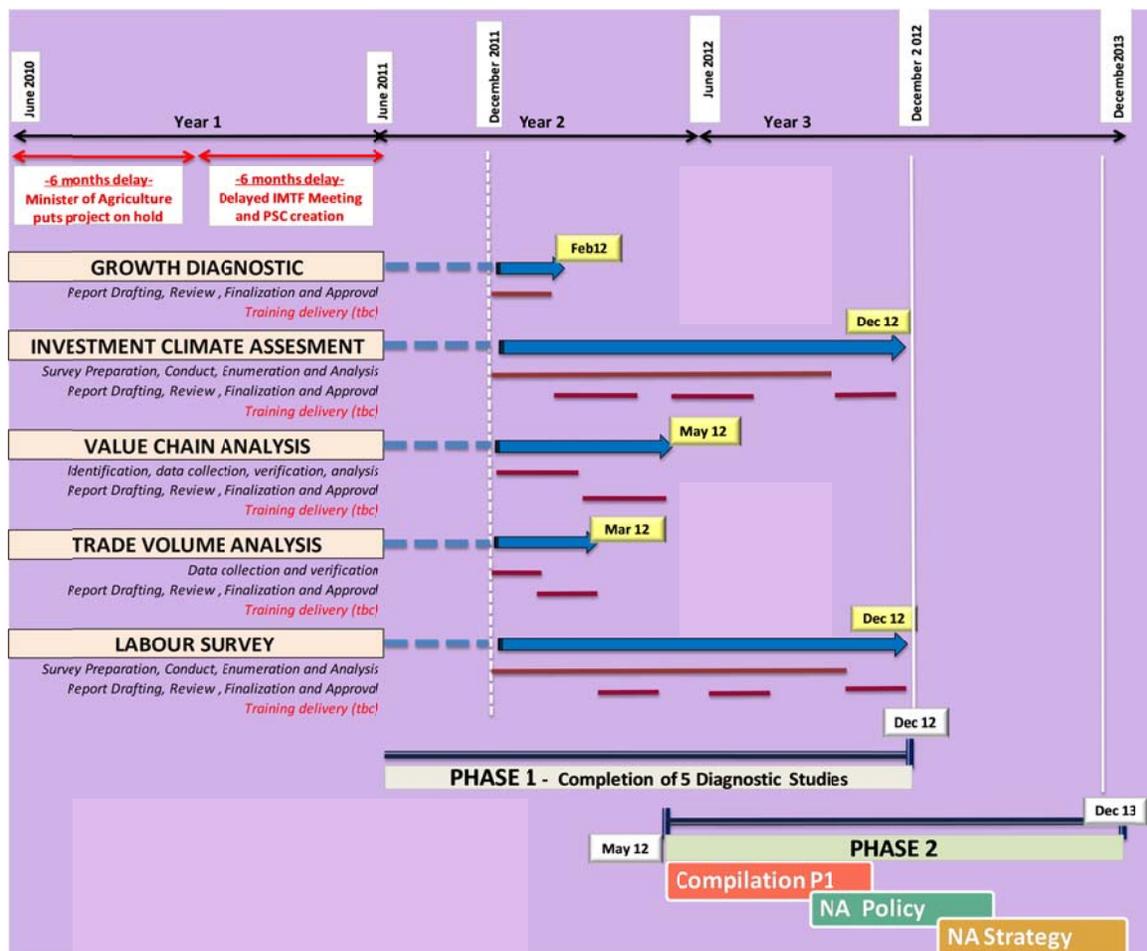
Key partnerships have also been developed with donor agencies to align I-AGES with ongoing and pipeline projects. This includes, the World Bank's Investment Climate Assessment, AusAID's agriculture program, the United States Department of Agriculture's program and the UN's I-PSM and PSDP-I. This allows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



Other highlights and cross-cutting issues pertinent to the results being reported on.
Not applicable at this stage.

V. Future Work Plan

Summarize the projected activities and expenditures for the following reporting period (1 January-31 December 2012), using the lessons learned during the previous reporting period.



The balance activities to be completed up to the end of December 2012 are summarised as follows:

- Assist MoA in establishing PSSU as part of its organizational structure.
- Implement all training program with PSSU and other relevant staff.
- Finalize agreement with ILO on Labour Survey and start Labour Survey activities.
- Facilitate strong coordination between the PSSU and the Central Statistical Office through the holding of a two day workshop to agree on the delineation of responsibilities and methodologies.



- Continue with the implementation of the remaining diagnostic studies of the Iraqi economy once sufficient training has been undertaken.

VI. Performance Indicators (optional)

Fill the table in this section to report on the indicators set at the output level as per the approved results framework in the programme document.

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

Outputs	Measurable Indicators	Means of Verification	Indicator Targets	Achieved
Output 1 GoI and partners have improved knowledge and evidence base for the development of national agricultural policy and strategy	Number of MOA /COSIT/NAPWG/ PSSU trained on growth diagnostic design	Training Report	8	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	80%	Not done
	Study on investment and policy produced	Study Report	Yes	No
	Number of MOA /COSIT/NAPWG/ PSSU trained on identification and analysis of agriculture growth indicators	Training Report	8	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	80%	Not done
	Study on Core Drivers of Agricultural and Employment Growth produced	Study Report	Yes	Yes



	Number of MoA /COSIT/PSSU/NAPWG staff trained on design and analysis of investment climate survey	Training Report	4	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	80%	Not done
	Study on Core Binding Constraints to Investment Climate at the Sectoral and Sub-sectoral Levels completed	Study Report	Yes	No
	Number of MoA/COSIT/NAP-WG PSSU staff trained on labor market survey design and analysis	Training Report	9-10	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	80%	Not done
	Report based on national labour and employment survey completed	Survey Report	Yes	No
	Number of MoA/PSSU/NAP-WG staff trained on analysis of value chain for key products	Training Report	7	0
	Percentage of trainees fully satisfied with the	Post training Participants'		



	quality of the training in terms of relevance and usefulness	assessment	80%	Not done
	Report on targeted value chain for key products completed	Study Report	Yes	Yes
	Number of MoA/MoF/MoT staff trained on conducting trade volume analysis	Training Report	7	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	80%	Not done
	Study on Trade volume and value analysis completed	Study Report	Yes	Yes
Output 2 GOI better able to formulate and implement the National Agriculture Policy	Number of MoA trained on developing a National Agriculture Policy	Training Report	10	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training Participants' assessment	80%	Not done
	New National Agricultural Policy drafted	Policy Document	Yes	No
Output 3 GoI better able to develop and implement the agriculture sector investment strategy in line	Number of MoA staff trained on developing an agriculture sector investment strategy	Training Report	15	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training participants' assessment	80%	Not done



with national	National Agricultural Investment Strategy drafted	Strategy Document	Yes	No
	Number of MoA, MoPDC, NAP-WG trained on developing budgeted and strategically aligned a. agricultural growth stimulant program b. economic diversifier program c. employment generation program	Training report	15	0
	Percentage of trainees fully satisfied with the quality of the training in terms of relevance and usefulness	Post training participants' assessment	80% 80% 80%	Not done Not done Not done
	New National Priority Programmes identified	MOA	Yes	No

VII. Abbreviations and Acronyms

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

CSO (COSIT) Central Statistical Office

FAO Food and Agriculture Organization of the UN

GoI Government of Iraq

I-AGES Iraq Agricultural Growth and Employment Generation Support Program

MoA Ministry of Agriculture

MoF Ministry of Finance

MoPDC Ministry of Planning and Development Cooperation

MoT Ministry of Trade

NAP-WG National Agricultural Policy Working Group

PSSU Policy and Strategy Support Unit