

United Nations Development Group Iraq Trust Fund
Project: A5-29
Annual Report 2011

Participating UN Organisations: UNIDO, FAO **Sector:** Agriculture and Food Security
Government of Iraq – Responsible Line Ministry: Ministry of Industry and Minerals

Title	Rehabilitation of the Mosul Dairy Plant				
Geographic Location	Ninewa Governorate, Mosul				
Project Cost	US\$ 2,519,606 (US \$ 6,000,000 in kind from line ministry for equipment)				
Duration	24 months				
Approval Date (SC)	17 December 2009	Starting Date	22 January 2010	Completion Date	January 2012 September 2012(New)
Project Description	<p>This project will assist the Government of Iraq in the process of rehabilitating and revitalizing the country's economic infrastructure and promoting industrial development particularly by elaborating a sector development strategy for the dairy sector in the northern provinces of Iraq and providing support for the rehabilitation of the Mosul dairy plant. Apart from the direct employment within the Mosul dairy plant the project has a multiplier effect creating new jobs in the transportation and retail chain in the long run as well as encouraging farmers to increase the milk production.</p> <p>Enhancing national capacities for quality and quantity of milk production in Iraq is an important step in replacing imported food by local produce.</p> <p>In order to become a competitive unit besides the technology in use and the well trained staff, the basic infrastructure of the processing facilities also have to fit the purpose. The project will address this issue by provision of support for the rehabilitation of the Mosul dairy plant in order to improve milk (especially cheese) processing and to establish a viable and reliable partner for dairy farmers.</p> <p>The Programme strategy is based on two pillars:</p> <ul style="list-style-type: none"> • Capacity building: <ul style="list-style-type: none"> ○ Institutional capacity building involving staff from Ministry of Industry and Minerals (MoIM) and Ministry of Agriculture (MoA) as well as regional authorities, staff from the State Company for Dairy Products (SCDP) and Universities ○ Human resources development, involving staff from private and public sector as well as farmers and • Technology transfer: <ul style="list-style-type: none"> ○ Facilities rehabilitation according to international standards allowing the application of Hazard Analysis and Critical Control Point (HACCP) conform processing ○ Investment of new processing lines 				

Development Goal and Immediate Objectives

The purpose of the project is the enhancement of production and productivity within the agricultural sector by focusing on dairy related elements.

More specifically, the present project will support the:

- Development of a dairy sector strategy for the northern provinces of Iraq allowing its sustainable development and investments for the utilization of locally produced milk.
- Enhancement of national capacities in terms of quality and quantity of milk produced in Iraq
- Provision of support for the rehabilitation of the Mosul dairy plant in order to improve milk (especially cheese) processing and to establish a viable and reliable partner for dairy farmers

Outputs, Key activities and Procurement

Outputs	<ul style="list-style-type: none"> • MoIM, regional authorities and SCDP staff have improved capacities to develop strategies and plans. • Enhanced national capacities for quality and quantity of milk production in Iraq • Mosul dairy plant rehabilitation supported for improved dairy production
Activities	<p>Core activities will be related to :</p> <ul style="list-style-type: none"> • Development of a sector wide strategy for the Northern provinces. • Organise and implement a variety of technical, entrepreneurship and policy related trainings and workshops to strengthen the capabilities of staff of the MoIM, regional authorities and the State Company of Dairy products (SCDP) allowing the focussed long term development of the dairy sector aiming at replacing imported milk products by local produce. • Provision of assistance in the development of a quality based milk pricing system, thus establishing an attractive tool for increasing milk production and improving the quality, shelf life and competitiveness of the local produced milk products. Throughout the lifespan of the project awareness raising activities will be carried out to improve the commitment of the farmers to quality production. These activities will be supported by interventions to strengthen human resources. • Increasing the existing pool of trainers allowing an enlarged regional as well as broadened thematic coverage • Key persons for the further development of the sector will be exposed to international sector specific conferences (e.g. International Dairy Federation) and fairs (technology and product related). • Key staff from dairies (SOE-especially Mosul and private sector) will be trained in marketing, business administration but also in the application of new technologies. • Rehabilitation of the existing facilities in order to establish the necessary physical infrastructure for milk processing with emphasis on cheese. • The basic supplies installations will be renewed and the sewage system modernized • The milk collection system will be improved through rehabilitation of a collection centre, procurement of a milk collection truck and advocating for on-farm cooling of the fresh milk • Assisting the SCDP and the management of the Mosul Dairy plant in the procurement of dairy equipment and machinery by joint development of specifications as well as review of received offers
Procurement (major items)	<p>Tentatively planned procurement focuses on:</p> <ul style="list-style-type: none"> • Plant rehabilitation • Milk collection systems • Milk and cheese processing equipment • Capacity building courses

Funds Committed	2,059,692.56	% of approved	81.75 %
Funds Disbursed	1,767,113.90	% of approved	70.13 %
Forecast final date	30 September 2012	Delay (months)	N/A

Quantitative achievements against objectives and results

1	MIM, reg. authorities and SCDP staff have improved capacities to develop strategies and plans	% of planned	90
2	Enhanced national capacities for quality and quantity of milk production as well as dairy management in Iraq	% of planned	90
3	Mosul dairy plant rehabilitation supported for improved dairy production	% of planned	100

Qualitative achievements against objectives and results

Activity	Result
Output 1:	
1.1. Establish a Project Steering Committee involving the main stakeholders for the provision of the strategic direction and oversight	Done
1.2. In depth assessment of the dairy sector in the Northern Governorates (existing farm, animal and processing structure, including availability of feed)	Done
1.3. In depth assessment of the market potential of dairy products produced in Northern Provinces (local, regional, national and international)	Done
1.4. SWOT analysis of the sector	Done
1.5. Sector vision development	Done
1.6. Deriving the strategy	Done
1.7. Development of model business plans derived from the strategy	Done
1.8. Development of a business plan for at least the Mosul dairy	Done
1.9. Development of a financial and HRM plan for the Mosul dairy plant	Under implementation
1.10. Assess the prevailing regulations for raw milk quality and price building	Done
1.11. Development of a quality and content based pricing scheme for raw milk	Under development
1.12. Raise awareness on the benefits of quality milk production	Under development
1.13. Monitoring of the impact of the project activities on income, employment and sector development	Continuously ongoing
Output 2:	
2.1. Development of a work plan for the capacity building component	Done
2.2. Provision of refresher training of trainers trained under the pilot project for the dairy sector development	1. ToT Strategy Development 6-10 March 2011(11 participants) 2. ToT New Technologies and HACCP 22-26 May 2011 (15 participants) 3. ToT Enterprise Management, Marketing and Business Administration 29 May – 02 June 2011 (15 participants)
2.3. Development of different training programmes for dairy staff regarding technology, marketing and business administration	Under implementation
2.4. Development and adaptation of training material	Under implementation
2.5. Provision of training to staff of SOE and private dairies	Under implementation
2.6. Organization of a study tour to support institutions for the dairy sector	Done

2.7. Encourage cooperation between research and processing sectors (farm, animal, technology related)	Under implementation
2.8. Organization of the participation in sector specific international conferences and fairs	1. The Interpack, International Trade Fair for Packaging 12- 16 May 2011 Dusseldorf, Germany 2. CIBUSTEC and IDF milk Summit 15-21 October 2011 Bologna, Italy 3. Erbil International Fair 24-27 October 2011 4. Erbil Agro Industry Fair 20-24 November 2011
2.9. Assess the existing extension services for the dairy sector	Under implementation
2.10. Updating skills of extension service providers	Under implementation
2.11. Development and dissemination of information material for quality milk production	Under implementation
2.12. Development and introduction of an incentive system encouraging quality milk production	Under implementation
2.13. Development and enforcement of a reliable quality control system	Under implementation
2.14. Upgrading of the milk collection system (collection centres and collection trucks)	Done
2.15. Encouragement of the installation of modern cooling systems at the farm level	Under implementation
Output 3:	
3.1. Assessment of the facilities and equipment of the Mosul dairy plant	Done
3.2. Development of a repair and maintenance plan for the existing facilities	Done
3.3. Repair and maintenance of the facilities and remaining equipment as well as basic installation	Done
3.4. Identification and specification of the necessary equipment and replacement of basic installation	Done
3.5. Commissioning of the equipment	In-kind contribution: Equipment purchased, installation ongoing
3.6. Provision of training on the proper use of the equipment	Partly done, rest of the training will be provided during installation
3.7. Development of a maintenance plan for building. Machinery and equipment	Done

Main Implementation Constraints and Challenges
Accessibility of the project area for international staff.