

**United Nations Development Group Iraq Trust Fund**  
**Project # 66995: C10-11**  
**Date and Quarter Updated: 01 October – 31 December 2011**  
**4<sup>th</sup> Quarter 2011**

<b>Participating UN Organisations:</b> UNDP (Lead), ILO, UNIDO, FAO, UNOPS, UN-HABITAT, UNIFEM (changed to UNWOMEN)	<b>Sector:</b> Governance & Human Development (C) <b>SOT:</b> Economic Recovery and Development
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**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):

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<sup>1</sup>, Central Bank, National Investment Commission. They also define membership for representatives of private sector and unions<sup>2</sup>, and other relevant Iraqi stakeholders<sup>3</sup>.

Downstream activities in Erbil, Anbar, and Basrah are coordinated through PSDP-I Governorate Steering Committees (GSC) with representation of relevant local Government of Iraq (GoI) counterparts<sup>4</sup>.

<b>Title</b>	Private Sector Development Programme for Iraq				
<b>Geo. Location</b>	National upstream-level and three priority governorates: Basrah, Al’Anbar and Erbil.				
<b>Project Cost</b>	USD 32,870,000 <sup>5</sup> Cost sharing and co-funding under discussion with GoI and other partners.				
<b>Duration</b>	36 months + 12 months extension				
<b>SC Approval Date</b>	04.12.2008	<b>Starting Date</b>	01.01.2009	<b>Completion Date</b>	01.01.2012 extended to 31.12.2012
<b>Project Description</b>	<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>				

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> Includes representation provincial councils, Women Higher Commission in Kurdistan, etc.

<sup>5</sup> The total budget is divided into components for each participating UN agency. Transfer of funds is subject to a three-instalment 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.
- Contributes to the UNDAF Priority Area 2 “Inclusive, more equitable and sustainable economic growth” and to foster national capacity and leadership of the development process, within governmental, non-governmental and social institutions, in order to transition the country from the impact of violence and repression characterizing recent decades.
- UNDP implements in line with Country Programme Outcome 4 “GoI has the institutional framework to develop and implement MDG-based pro-poor, equitable and inclusive socio-economic and environmental policies and strategies” and Outcome 5 “Enabling policy and frameworks for rapid economic recovery, inclusive and diversified growth and private sector development” which feed into the UNDAF and NDP.

### 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

<b>IP Outputs<sup>6</sup></b>	<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>
<b>IP Activities</b>	<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</p>

<sup>6</sup> As per UNDG/ITF PSDP-I Project Document “5. Results Framework”.

	<p>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-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>
<b>Procurement</b>	None
<b>Major Activities Undertaken from initiation till present reporting</b>	<ul style="list-style-type: none"> <li>• 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"> <li>○ Legislative Assessment and Revision</li> <li>○ SOE Restructuring</li> <li>○ SME Development</li> <li>○ Tax and Financial Policy</li> <li>○ Investment Policy</li> <li>○ Land Management Reform</li> <li>○ Social Dialogue</li> </ul> </li> <li>• 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).</li> <li>• 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.</li> <li>• MoU signed with Unioncamere (Italian Federation of Chambers) on cooperation in support of Iraqi Chambers of Commerce and business processes.</li> <li>• 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".</li> <li>• 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.</li> <li>• Preparations undertaken for investment mapping.</li> <li>• Preliminary Tax Policy Design Framework developed.</li> </ul>

- 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:
  - PSD strategy
  - Business development services (including successful training of local counterparts)
  - Coaching assistance to the Ministry of Industry and Minerals on the formulation of Iraq's Industrial Strategy and 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 Focal Points in ministries and commencement of establishment of Restructuring Units within ministries and preparation for formation of cross-ministerial Restructuring Support Teams.
- 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.
- Launch of UN Global Compact (UNGC) and Iraq Local Network in Baghdad, co-organised with the Council of Ministers Secretariat. The event was attended by 300 participants representing the government, local and international private sector, civil society, donors and media.

**Total Funds Committed and Disbursed as of 31 December 2011**

Agency	Total Approved Amount [in USD]	All Three Tranches Received [in USD]	Rate of Funds Committed (against 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Tranche) <sup>7</sup>	Rate of Funds Disbursed (against 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Tranche)
(a) UNDP	9,750,000	9,750,000	81%	69%
(b) ILO	3,002,966	3,002,966	63%	48%
(c) UNOPS	5,897,034	5,897,034	86%	73%
(d) UNIDO	7,700,000	7,700,000	64%	49%
(e) FAO	3,300,000	3,300,000	50%	49%
(f) UN-HABITAT	2,000,000	2,000,000	80%	60%
(g) UNWOMEN	1,220,000	1,220,000	50%	47%
<b>Total</b>	<b>32,870,000</b>	<b>32,870,000</b>	<b>72%</b>	<b>60%</b>

<sup>7</sup> 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.

## A. UNDP

<b>Funds Committed</b>	USD 7,865,781	<b>% of received</b>	81%
<b>Funds Disbursed</b>	USD 6,704,755	<b>% of received</b>	69%
<b>Forecast final date</b>	December 2012	<b>Delay (months)</b>	12

<b>Direct Beneficiaries</b>	<b>Number of Beneficiaries<sup>8</sup></b>	<b>% of planned (current status)<sup>9</sup></b>
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

<b>Quantitative achievements against objectives and results</b>	<b>% of planned</b>
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
Output 1.1: National capacities for private sector development policies are strengthened	90%
Output 1.2: Improved efficiency of the Public Micro Lending Programme and access to business loans	50%
<b>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</b>	
Output 2.1: Local economic strategies and plans developed in line with national and provincial frameworks in three governorates	70%
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates	50%

<b>Qualitative achievements against objectives<sup>10</sup> and results</b>	
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
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><i>[Activity led by UNDP: achievement rate at 99%]</i></p> <ul style="list-style-type: none"> <li>• 2 October 2011: PSDP-I Programme Steering Committee, co-chaired by UN DSRSG/Resident Coordinator and TFER Chairman, convened. The TFER Chairman presented to DSRSG/Resident Coordinator a request for a one year no-cost extension of the programme with expanded technical assistance and possibility to access additional funding from the partnership fund in the Federal Budget FY2012. Following deliberations, the no-cost extension request of the programme was endorsed thereby moving the closure of the programme till end 2012;</li> <li>• 23 October 2012: Submission of two proposals for to the KRG UNDAF Co-Financing for 2012, namely “Youth Employment and Business Integration Programme”, and “Economic Infrastructure Needs Assessment”;</li> <li>• 1-2 December 2011: The Programme Director accompanied an Iraqi delegation to a Conference on “EU and Southern Neighborhood - New Prospects for Mutual Cooperation in a Changing Environment” in Warsaw, Poland. Meetings during the conference opened new opportunities for cooperation with the Polish Ministry of Economy e.g. technological and industrial parks, special economic zones;</li> <li>• 8 December 2011: UNDP Country Director and the Ministry of Oil -</li> </ul>

<sup>8</sup> 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.

<sup>9</sup> The project document does not define concrete numbers of beneficiaries to be targeted.

<sup>10</sup> Terminology in line with this reporting format (page 2): IP Outputs as ‘immediate objectives’.

	<p>Director General of Development and Training Directorate, signed a Memorandum of Understanding formalizing cooperation for 2012-2013 on skills development and efficient human resources management in the oil and gas sectors. To this effect, a Project Document was developed with the aim of enhancing labor productivity in the Iraqi Oil Sector and to secure success for the 20-year National Energy Strategy of Iraq;</p> <ul style="list-style-type: none"> <li>• 19-20 December 2011: Meetings with Shell in Amman, and signing of the Memorandum of Understanding by the UNDP Country Director.</li> </ul>
<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 UNDP]</i></p> <ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>
<p>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>	<p><i>[Activity led by UNDP: achievement rate at 92%]</i></p> <ul style="list-style-type: none"> <li>• Publishing of the SOE Roadmap;</li> <li>• 12-13 November 2011: Meeting of the Programme Director with the Chairman of the Prime Minister's Advisory Committee and the Prime Minister's Economic Advisor, to agree on the next steps in the SOE restructuring sector. Agreement reached to select implementing partners, using the system previously created for the oil bidding rounds. Task Force for Economic Reforms along with the UN and the World Bank will retain the coordination of the restructuring process overseeing the eligibility testing and the disbursement of funds to line ministries and their SOEs from the US\$275 million budget in 2012. The High Economic Committee will be given regular updates on the progress made and consulted on any strategic, cross sector issues. First SOEs selected to undergo the restructuring are SOEs from the Ministries of: Industry and Minerals, Water Resources, Housing and Construction, and Transportation.</li> </ul>
<p>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>	<p><i>[Activity supported by UNDP]</i></p> <ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>
<p>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>	<p><i>[Activity supported by UNDP]</i></p> <ul style="list-style-type: none"> <li>• 15 October 2011: Launch of UN Global Compact (UNGC) and Iraq Local Network in Baghdad, co-organised with the Council of Ministers Secretariat. The event was attended by 300 participants representing the government, local and international private sector, civil society, donors and media. It provided a platform for exchanging knowledge on corporate social responsibility and UNGC principles, and to discuss potential benefits to be derived from implementation of the UNGC principles;</li> <li>• 16-18 October 2011: Draft action plan for the UNGC Iraq team, Representative and Secretariat, was agreed upon and circulated among members for finalization;</li> <li>• Meeting with UNGC Local Network members on formalizing the legal status of the Network;</li> <li>• 19 October 2011: Meeting with the Swedish Embassy - Private Sector Development Coordinator, to identify synergies with the Embassy's Corporate Social Responsibility programme and potential support to the Iraq UNGC Local Network;</li> <li>• 28 October 2011: Iraq UNGC Local Network mission to Basrah to meet local and foreign companies, and raise awareness on the UNGC principles. A meeting with 37 participants consisting of public and private sector representatives and media, hosted by a local company, yielded in an increase in Basrah based members in the Iraq Network;</li> <li>• 19 November 2011: UNGC Local Network awareness raising campaign in</li> </ul>

	<p>Anbar;</p> <ul style="list-style-type: none"> <li>• 26 November 2011: UNGC Local Network awareness raising campaign in Ninewah;</li> <li>• 17 December 2011: Draft action plan of the UNGC Local Network circulated for finalization and endorsement;</li> <li>• Companies and CSOs operating in KRG were encouraged to adopt the UNGC principles and join the UNGC Local Network including a letter co-signed by the Minister of Planning, President of the KRG Federation of Chambers of Commerce and UNDP Iraq Country Director which was circulated to all;</li> <li>• Work continued with the Task Force for Economic Reforms on the spending process of the Federal Budget allocation for SOE Restructuring. To this effect, a draft order was presented to the Council of Ministers Secretariat for signature;</li> <li>• 17 December 2011: First General Meeting of UNGC Local Network held in Baghdad with the participation of 60 government, private sector, CSO, donor, media and UNDP representatives. The meeting provided the opportunity for the members to discuss key items of the Networks' action plan with the Network Secretariat. Governance structure for the Network was elected and consists of 11 members with a 30% representation of women. The members of the committee represent the center, north, and south of the country. In addition the Committee includes a representative of the academia, who also represents the Iraq Business Council abroad. During the meeting, the action plan of the UNGC Local Network was approved;</li> <li>• UNGC Iraq Network Brochure finalized in both English and Arabic;</li> <li>• The website of the UNGC Iraq Network operational with preliminary information in both English and Arabic (<a href="http://www.ungc-iraq.org">www.ungc-iraq.org</a>);</li> <li>• 12 December 2011: Meeting of the UNGC Iraq Local Network in Erbil, organized in cooperation with the KRG Ministry of Planning and Erbil Governorate Steering Committee, hosted by the Erbil Chamber of Commerce. The workshop, attended by 70 private sector and CSO representatives across Kurdistan, was represented and opportunity to share the objectives of the newly launched UNGC Local Network, promoting the UNGC principles and presenting the draft action plan. The meeting led to an informal agreement about the need of UNDP and KRG to jointly promote the UNGC in the region and to establish a KRG branch of the Network which would address specific regional priorities to maximize potential for partnerships on local markets and abroad.</li> </ul>
1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available.	<p><i>[Activity led by UNDP: achievement rate at 42%]</i></p> <ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>
1.2.1 Improved management of the Governmental guaranteed Micro-Lending Programme (implemented by MoLSA and MoIM)	<p><i>[All three activities led by UNDP: achievement rate at 55% (1.2.1), 20% (1.2.2) and 40% (1.2.3)]</i></p> <ul style="list-style-type: none"> <li>• 16-17 October 2011: An Iraq Micro, Small and Medium Enterprise Access to Finance Workshop, organized by the World Bank, IFAD and CGAP, took place in Beirut. The workshop marked the first formal meeting of the three organizations with the Iraq microfinance stakeholders. Workshop recommendation was for the World Bank, IFC and CGAP to begin working on a Financial Inclusion Strategy for Iraq. Other outcomes achieved during the workshop was the elimination of possible overlap with the already initiated UNDP and USAID Tijara collaboration on an Iraq Microfinance Policy, and CGAP's acceptance to join this collaboration;</li> <li>• 17 October 2011: Meeting with USAID Tijara. Roles and responsibilities in the organization of the Iraq Microfinance Policy Forum were clarified. USAID Tijara agreed to fund a 2<sup>nd</sup> Forum as a follow-up to the 1<sup>st</sup> Forum.</li> </ul>
1.2.2 Enhanced mechanisms to access to credit by SMEs	
1.2.3 Draft laws and by-laws related to GoI micro lending programme are available	

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.	<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 70% (2.1.3), 45% (2.2.1a) and 60% (2.2.1e)]</i></p> <ul style="list-style-type: none"> <li>• Regular meetings of the Governorate Steering Committees (GSC) in the three pilot Governorates continued;</li> <li>• 9 October 2011: Signing of a Micro Capital Grant Agreement with Al-Thiqa, a microfinance institution operating in Erbil, MFI for the micro-lending component of the programme for Erbil;</li> <li>• Coordination enhanced with FAO and UNHABITAT, in the process of finalizing their vocational training schemes, on securing opportunities for employment through building linkages between graduates of vocational trainings and microfinance institutions;</li> <li>• 17 October 2011: Meeting with KRG - Council of Ministers Senior Advisor on Financial Affairs on the KRG Youth Loan Programme. The on-going KRG Youth Loan Programme and possible support from UNDP to establish a KRG APEX was discussed;</li> <li>• 17 October 2011: Meeting with CHF to discuss implementation of the Micro Capital Grant Agreement in Basrah. The Business Packages concept and the lines of communication were re-clarified to the Director;</li> <li>• First reports were due from partner microfinance institutions (MFI). Reporting quality was inadequate and lacking data and annexes. All MFIs were requested to review and re-submit their reports. Difficulties of implementing the Business Package concept became evident as MFI's struggled to identify beneficiaries of vocational trainings that meet the minimum eligibility criteria for the products currently offered by the MFIs;</li> <li>• 20 November 2011: Programme Director mission to Erbil to meet with Minister of Labor and Social Affairs on: <ul style="list-style-type: none"> <li>- exploring opportunities for enhancing employment e.g. through public-private partnerships;</li> <li>- a strategy for youth integration through employment strategy;</li> <li>- ongoing direct lending programme by the Ministry.</li> </ul> </li> <li>• 20 November 2011: Meeting with Director General of Ministry of Planning to discuss a proposed project "Economic Infrastructure Needs Assessment". A draft concept on the scope and goals was developed and social infrastructure included in the assessment;</li> <li>• 20 November 2011: Meeting with KRG – Council of Ministries, Senior Advisor on Financial Affairs and Head of microfinance institution Bright Future Foundation, to discuss potential partnership in micro-lending;</li> <li>• 21 November 2011: Second advertisement to identify new and additional implementing partners for the micro-lending component;</li> <li>• 22 November 2011: Meeting with ILO on creating linkages between Business Information Centres' (BIC) beneficiaries and MFI clients within the framework of PSDP-I. It was agreed to support BICs and MFIs to enhance mutually beneficial collaboration and to invite MFIs to give orientation sessions to the BIC's beneficiaries on the application process for microloans, lending criteria, interest rate, collateral/guarantor etc.</li> <li>• Visits to microfinance institutions, implementing partners of the micro-lending component, CHF and Relief International, to ensure linkages between vocational trainings (FAO and UN-HABITAT) and micro-loans (UNDP). Both MFIs faced difficulties in contacting the training graduates and more importantly, graduates expressed a desire to access grants not loans;</li> <li>• 27 November 2011: Conference call held between CHF on the implementation of the Micro Capital Grant Agreement;</li> </ul>
2.2.1 Technical support provided to identify priorities and program implementation in the sectors of Key Economic Infrastructure and Micro-lending	



	<ul style="list-style-type: none"> <li>• 21 December 2011: Cost-Sharing Agreement signed by Ministry of Planning KRG on Economic and Social Infrastructure Needs Assessment;</li> <li>• 25 November 2011: Al Thiqa – withdrew from the partnership. The reduced number of partners is adding pressure to implement the micro-lending programme by end 2012;</li> <li>• Meetings initiated with ILO and microfinance institution Al-Takadum on formalizing partnerships between microfinance institutions and business information centres;</li> <li>• 30 December 2011: Second advertisement to identify new and additional implementing partners for the micro-lending component was closed.</li> </ul>
Procurement	

### Main Implementation Constraints and Challenges

#### Substantive Challenges

- Need for closer coordination of integrated programme with international development partners to ensure that various initiatives (including World Bank, USAID, US Embassy) and potential interventions (including Sweden, Poland, Unioncamere, GTZ) are well coordinated with UN and TFER programme.

#### Management / Logistic Challenges

- Security restrictions make it difficult to travel to field locations and to interact with project stakeholders on the ground.

### B. ILO and C. UNOPS

<b>Funds Committed<sup>11</sup> ILO</b>	USD 1,903,561	<b>% of received</b>	63%
<b>Funds Disbursed ILO</b>	USD 1,443,575	<b>% of received</b>	48%
<b>Funds Committed UNOPS</b>	USD 5,052,460	<b>% of received</b>	86%
<b>Funds Disbursed UNOPS</b>	USD 4,309,103	<b>% of received</b>	73%
<b>Forecast final date</b>	On Schedule	<b>Delay (months)</b>	12

Direct Beneficiaries	Number of Beneficiaries	% of planned (current status)
Men	315	80%
Women	80	80%
Children	-	
IDPs	-	
Others	-	
Indirect beneficiaries	1700	80%
Employment generation (men/women)	60 ( 12 women , 48 men )	80%

Quantitative achievements against objectives and results	% of planned
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
Output 1.1: National capacities for private sector development policies are strengthened.	80%
Output 1.3: Strengthened operational, regulatory and legislative environment for SMEs development	70%
<b>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</b>	
Output 2.1: Local economic strategies and plans developed in line with national and provincial frameworks in three governorates.	80%
Output 2.2: Economic and social regeneration pilot projects implemented in three selected	80%

<sup>11</sup> All expenditure figures are estimates only. For accurate financial reporting please refer to Agency-individual certified financial reports.

governorates.	
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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"> <li>Nothing to report this quarter.</li> </ul>
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: achievement rate at 80%]</i> <ul style="list-style-type: none"> <li>Nothing to report this quarter.</li> </ul>
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"> <li>Nothing to report this quarter.</li> </ul>
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 80%]</i> <ul style="list-style-type: none"> <li>Nothing to report this quarter.</li> </ul>
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"> <li>Nothing to report this quarter.</li> </ul>
1.3.1 A survey of SMEs (including formal and informal sector) is available	<i>[Activity led by ILO/UNOPS: achievement rate at 70%]</i> <ul style="list-style-type: none"> <li>The data collection of the first and second SME survey were completed and final reports will be published by the first quarter will be published by 2012.</li> </ul>
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 80%]</i> <ul style="list-style-type: none"> <li>Nothing to report this quarter.</li> </ul>
1.3.3 Strengthened national capacities of business development services and Non-Bank Financial Institutions.	<i>[Activity led by ILO/UNOPS: achievement rate at 60%]</i> <ul style="list-style-type: none"> <li>Nothing to report this quarter.</li> </ul>
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 80%]</i> <ul style="list-style-type: none"> <li>November 2011: A workshop for the newly established Basrah Economic Development Unit was organized. ILO/UNOPS trained the Unit members on how to apply the Territorial Diagnosis tool for the production of economic profiles of the Governorate, and on identification of the Compact goal, objectives and outcomes which is considered to be the first step of the Economic Development Compact.</li> </ul>
2.1.2 Local economic recovery (LER) strategies are in harmony with Provincial Development Strategies (PDS)	<i>[Activity led by ILO/UNOPS: achievement rate at 80%]</i> <ul style="list-style-type: none"> <li>Economic Development Compacts are being developed by each of the established Economic Development Units in Basrah, Anbar and Erbil. The first stage of Erbil and Anbar Compact, aligned with the Provincial</li> </ul>

	Development Plan, is completed. Work has been initiated in Basrah.
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.	<p>[Activity 2.2.1d (Business Development Services) led by ILO/UNOPS: achievement rate at 80%]</p> <ul style="list-style-type: none"> <li>• November 2011: Erbil and Anbar Business Information Centres submitted substantive and financial reports highlighting achievements for the first instalment received from ILO/UNOPS. Both Centres have developed websites, brochures and leaflets to promote training courses offered by the Centre on how to “Start and Improve Your Business”. Erbil BIC published the yellow pages for the Governorate;</li> <li>• 29 Start Your Business trainers trained by ILO/UNOPS attended a refresher course and delivered training sessions to demonstrate their abilities as trainers, and knowledge in business management. Trainers were assessed and are expected to be certified in the first quarter of 2012;</li> <li>• The International Organization for Migration (IOM) signed agreements with 15 local Iraqi NGOs. The selection of implementing partners took place based on a skills assessment in: mapping profiling, management capacity, results at trainings, technical capacity, and the action plan submitted. The 15 NGOs trained more than 1.500 entrepreneurs in Erbil, Anbar and Basra.</li> </ul>
Procurement (major items)	<ul style="list-style-type: none"> <li>• NTR</li> </ul>
<b>Main Implementation Constraints and Challenges</b>	
Substantive challenges:	
<ul style="list-style-type: none"> <li>• The newly appointed Governor of Basrah replaced some of the Economic Development Unit members including the Director. As a result, delays were experienced in the work planning of the Economic Development Unit, as new members had not attended workshops conducted in 2011 on territorial diagnosis for the Economic Development Compact.</li> </ul>	
Management/Logistic challenges:	
<ul style="list-style-type: none"> <li>• Limited Slots available for International staff coming to Baghdad and this affects in a way holding events in Baghdad or for the International staff to attend meetings on time.</li> <li>• Limited movement for International staff when meeting with Iraqi counterparts and government in the red zone.</li> <li>• Complicated procedure for getting Iraqi counterparts in the International zone and limited number of SSI escorts available to handle visitors’ requests.</li> </ul>	

#### D. UNIDO

<b>Funds Committed</b>	USD 4,943,396	<b>% of received</b>	64%
<b>Funds Disbursed</b>	USD 3,766,672	<b>% of received</b>	49%
<b>Forecast final date</b>	On Schedule <sup>12</sup>	<b>Delay (months)</b>	0

<b>Direct Beneficiaries</b>	<b>Number of Beneficiaries<sup>13</sup></b>	<b>% of planned (current status)<sup>14</sup></b>
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

<sup>12</sup> In the framework of the PSDP-I extension

<sup>13</sup> 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.

<sup>14</sup> The project document does not define concrete numbers of beneficiaries to be targeted.

Quantitative achievements against objectives and results		
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>		
Output 1.1: National capacities for private sector development policies are strengthened.	<b>% of planned</b>	90%
<b>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</b>		
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates.	<b>% of planned</b>	30% <sup>15</sup>

Qualitative achievements against objectives and results	
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
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"> <li>• Regular meetings were held in Baghdad with the TFER, the Programme Director and UN Agencies. Advisory assistance to the TFER Working Groups in key policy areas continued with particular focus on industrial strategy and governance system - weekly meetings with the Adviser to the Minister of Industry &amp; Mineral - legislation and economic reform and implementation of the SOEs Restructuring Roadmap;</li> <li>• Discussions continued on 2012 state budget allocations for SOEs restructuring and cost-sharing arrangements to expand ongoing PSDP-I activities in 2012.</li> </ul>
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 95%; activity 1.1.3 supported by UNIDO]</i></p> <p><u>Completed assessments in the reporting period:</u></p> <ul style="list-style-type: none"> <li>• Commercial regime; report prepared, also in Arabic;</li> <li>• Consumer protection law No. 1 of 2010 along with a series of comments and translation in Arabic;</li> <li>• Arbitration law with comments provided by UNCITRAL (review of a draft produced recently by the Working Group on Legislation).</li> <li>• Investment regime, assessment review and update, along with translation in Arabic.</li> </ul>
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><u>Other:</u></p> <ul style="list-style-type: none"> <li>• An harmonization analysis was conducted among the different target core areas and a report produced (to be incorporated later in the final assessment report);</li> <li>• The translation in Arabic of UN-HABITAT final report on land reform and land property rights legislation was completed;</li> <li>• Translation in Arabic of FAO final report on agricultural law, seeds legislation and policy, fisheries legislation, phytosanitary protection legislation and analysis of legal options for plant variety protection is underway;</li> <li>• A meeting was organized and held in Istanbul on 16-18 November, with the participation of Iraqi stakeholders and also the World Bank, to review the <u>PPP draft law</u> prepared by UNIDO; a series of amendments were introduced and subsequently elaborated for approval by the Working Group on Legislation. In addition, the drafting of specific procurement regulation on procurement was initiated;</li> <li>• A review of the draft Bankruptcy law, drafted under the US funded Tijara program in cooperation with the Ministry of Trade, was completed and</li> </ul>

<sup>15</sup> Achievement rate for the planning component of the rehabilitation programme 90%; the procurement procedures for the implementation phase is planned to start end November/December 2011.

	<p>comments to the draft law were prepared. The comments are under translation into Arabic;</p> <ul style="list-style-type: none"> <li>• The final roundtable on legislative assessment and drafting is under organization and expected to take place in March 2012.</li> </ul>
<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 90%]</i></p> <p><u>Coaching assistance to the Ministry of Industry &amp; Minerals on the formulation of Iraq's Industrial Strategy &amp; Policy:</u></p> <ul style="list-style-type: none"> <li>• Coaching assistance to Ministry of Industry and Minerals and the Strategy Working Group continued throughout the reporting period on strategic diagnosis, vision, specific policy frameworks and industrial governance system, according to a revised strategy report outline; various notes and skeletons of chapters were produced in the reporting period for discussion and finalization during the third workshop;</li> <li>• UNIDO team was further strengthened through the recruitment of an additional and most qualified international expert; Ministry of Industry and Minerals Strategy Working Group was enlarged with the acquisition of other members;</li> <li>• The third training workshop took place in Dublin (Ireland) on 7-14 December and was combined with a study tour of Irish relevant institutions and organizations; the event was organized by Shannon Development Agency selected as a sub-contractor following a tender procedure initiated in the previous quarter. Main outcomes included the formulation of a final strategy report outline, a final vision statement, final review and integration of the strategic diagnosis and other analysis produced by the Iraqi side, the development and specification of the Policy Framework and the definition of the structure of the other chapters;</li> <li>• It was agreed that a final draft of the entire strategy report will be produced by mid March and finalized following the fourth and final workshop expected to take place in Tunis end of March.</li> </ul> <p><u>Implementation of the SOEs Restructuring Roadmap</u></p> <ul style="list-style-type: none"> <li>• Meetings and discussions among UN agencies and with the TFER continued to take place in the period over Government special allocation under 2012 Federal State Budget Law for implementation of the SOEs Restructuring Roadmap; draft breakdowns of possible technical assistance and targeted financial support activities, as well as tentative budgets for UN Agencies and the World Bank and various notes were produced for preliminary internal discussions also with the TFER; they will be finalized in January/February 2012, following Parliament's approval of the law;</li> <li>• The role of UN Agencies (UNDP, UNIDO and ILO) and of the World Bank as advisors to the TFER SOEs Restructuring Working Group and line Ministries was defined with the TFER Chairman;</li> <li>• The original budget of 275 million USD was reduced to 100, the difference, however, expected to be replenished as a result of foreseen increases of oil revenues.</li> </ul> <p><u>IT based platform to sustain activities in the legislative area:</u></p> <ul style="list-style-type: none"> <li>• System completion: final configuration and installation of the software, development of the database for laws, preparation of guidelines in Arabic</li> </ul>

	<p>etc;</p> <ul style="list-style-type: none"> <li>• Preparation of final training plan and training material and selection of trainees - of Iraqi partner and end users;</li> <li>• A training programme for trainers and the administrator - from the Prime Ministers Advisory Council, was delivered by UNIDO sub-contractor in Baghdad between December 11 and 23. The training could be attended by part of the participants that were agreed originally with the Working Group on Legislation due to security and logistic constraints in the city, but it transferred basic concepts and methods; it will be followed by a second complementary training course that will be delivered by the Iraqi partner of the sub-contractor.</li> </ul>
1.1.5 A national investment map is available (including sector and geographic-specific).	<p><i>[Activity led by UNIDO: achievement rate at 100%]</i></p> <ul style="list-style-type: none"> <li>• The Arabic version of the Investment Map was completed and transmitted to the National Investment Commission;</li> <li>• Discussions will be held in January/February for possible future assistance.</li> </ul>
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"> <li>• UNIDO Upstream Outputs Consolidation project, aimed at completing a series of surveys and assessments, undertaking two selected industrial sub-sectors (solar energy and non oil minerals, as originally agreed with the Ministry of Industry) and at organizing UNIDO contributions to the Private Sector Development strategy, started in December and is fully rolling out, following the selection of the sub-contractor.</li> </ul>
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"> <li>• The harmonization analysis of the proposed (by UNDP) SME legislative framework was completed (<i>see also 1.1.2/1.1.3 above</i>)</li> </ul>
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"> <li>• Nothing to report this quarter.</li> </ul>
IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq	
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 40%<sup>16</sup>]</i></p> <p><u>Rehabilitation of three agro-industrial SOEs in Anbar and Basra governorates:</u></p> <ul style="list-style-type: none"> <li>• UNIDO held a workshop in Amman, which gathered 9 representatives of the three SOEs in Glass and Ceramics, Paper and Pulp and Petrochemical Industries from Al-Anbar and Al-Basra governorate in Iraq. Jointly with the SOEs, a close review of equipment and rehabilitation requirements was undertaken and preliminary draft technical specifications finalized and agreed upon at the end of the two day workshop;</li> <li>• Possible implementation measures including equipment supply, rehabilitation works, training and other technical assistance were discussed and preliminarily defined among UNIDO, MIM and the SOEs;</li> <li>• The draft feasibility studies reports were submitted by the sub-contractor; comments by UNIDO and the three SOEs were provided;</li> <li>• Procurement procedures for the supply of some equipment were furthered in December.</li> </ul> <p><u>Social Mitigation programme with ILO complementing the assistance to the three SOEs<sup>17</sup> (preparatory phase):</u></p>

<sup>16</sup> Achievement rate for the planning component of the rehabilitation programme 60%; the implementation phase is expected to start in September 2011.

<sup>17</sup> This programme is not funded by PSDP-I resources.

	<ul style="list-style-type: none"> <li>• One international and two national experts were contracted and mobilized;</li> <li>• The programme took off end of December, following the transmission of an initial questionnaire prepared by the international expert, and will fully roll out in January, based also on final understandings to be reached with ILO (that did not recruit the experts yet).</li> </ul>
Procurement (major items)	Procurement procedures were completed in the reporting period for the launch in July of two tenders (Organization of the Study Tour to Ireland and of UNIDO PSDP-I Consolidation project for upstream activities). Selection of sub-contractors is under way.

### Main Implementation Constraints and Challenges

What already reported in the previous quarterly reports, in terms of general logistic and security constraints, is substantially re-confirmed.

The main implementation constraint from an operational point of view is constituted by the difficulty and impossibility to work side by side with beneficiaries located in the red zone of Baghdad.

### E. FAO

<b>Funds Committed</b>	USD 1,641,739	<b>% of received</b>	50%
<b>Funds Disbursed</b>	USD 1,608,638	<b>% of received</b>	49%
<b>Forecast final date</b>	On Schedule	<b>Delay (months)</b>	0

Direct Beneficiaries	Number of Beneficiaries <sup>18</sup>	% of planned (current status) <sup>19</sup>
Men	82	40%
Women	41	40%
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
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
Output 1.1: National capacities for private sector development policies are strengthened.	95%
<b>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</b>	
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates	50%

Qualitative achievements against objectives and results
<ul style="list-style-type: none"> <li>• Letters of Agreement were prepared based on the endorsed TORs and were communicated to the line ministries, Ministry of Agriculture and Ministry of Water Resources, for comments and signature.</li> <li>• The technical specifications of the AIC were determined according to the Regional Knowledge and Information Management Officer, and procurement procedures are under progress.</li> <li>• Eight training courses (ToB) were conducted in Erbil, as well in Basra and Anbar, where training preparations have been done to be conducted during September, 2011 for the four named fields: <ul style="list-style-type: none"> <li>a) Food Safety and Protection;</li> </ul> </li> </ul>

<sup>18</sup> 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.

<sup>19</sup> The project document does not define concrete numbers of beneficiaries to be targeted.

b) Extension Services; c) Agricultural Marketing; and d) Water Policy.	
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
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 FAO]</i> <ul style="list-style-type: none"> <li>• Legal Officer has been contacted and the Legislations are now under the translation phase.</li> </ul>
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	<i>[Activity supported by FAO]</i> <ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>
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.	<i>[Activity supported by FAO]</i> <ul style="list-style-type: none"> <li>• Four Trainings of Trainers (ToT) were conducted for 31 participants:             <ol style="list-style-type: none"> <li>a) Food Safety and Protection;</li> <li>b) Extension Services;</li> <li>c) Agricultural Marketing; and</li> <li>d) Water Policy.</li> </ol>             At The Jordanian National Centre for Agriculture Research and Extension (NCARE).           </li> <li>• Eight training courses (ToB) were conducted in Erbil:             <ol style="list-style-type: none"> <li>a) Food Safety and Protection;</li> <li>b) Extension Services;</li> <li>c) Agricultural Marketing; and</li> <li>d) Water Policy.</li> </ol> </li> </ul>
1.1.7 Private Sector Development Strategy including investment, private farming, trade for the agriculture sector is created.	<i>[Activity supported by FAO]</i> <ul style="list-style-type: none"> <li>• Letters of Agreement were prepared based on the endorsed TORs and were communicated to the line ministries, Ministry of Agriculture and Ministry of Water Resources, for comments and signature.</li> </ul>
<b>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</b>	
2.2.1 Technical support provided to identify priorities and program implementation in the agricultural sector	<i>[Activity 2.2.1b (agricultural sector) led by FAO: achievement rate at 50%]</i> Training of Trainers for the Agriculture Information Centers delayed due to unavailability of software that meets the requirements and the need to design a tailor made software, which is now under the design phase, as well the case for the hardware procurement process, to meet the requirements of the three pilot governorates.
Procurement	<ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>

### **Main Implementation Constraints and Challenges**

The main constrain during the reporting period pertained to the late response of the Ministry in communications, and contracting the officials in the ministries to conduct the mentioned studies under the Up-Stream study, which led to a delay of achieving the activities according to the work plan under the Upstream component in sending the nominations for the 3 studies, as well, Training of Trainers for the Agriculture Information Centers delayed due to unavailability of software that meets the requirements and the need to design a tailor made software, meeting the requirements of the three pilot governorates.



## F. UN-HABITAT

<b>Funds Committed</b>	USD 1,601,782	<b>% of received</b>	80%
<b>Funds Disbursed</b>	USD 1,184,556	<b>% of received</b>	60%
<b>Forecast final date</b>	On Schedule	<b>Delay (months)</b>	0

<b>Direct Beneficiaries</b>	<b>Number of Beneficiaries<sup>20</sup></b>	<b>% of planned (current status)<sup>21</sup></b>
Men	480	n/a
Women	120	n/a
Children	n/a	n/a
IDPs	n/a	n/a
Others	150	n/a
Indirect beneficiaries	All citizens of Iraq.	n/a
Employment generation (men/women)	n/a	n/a

<b>Quantitative achievements against objectives and results</b>	<b>% of planned</b>
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
Output 1.1: Strengthened national capacities and policies for private sector development	60%
<b>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</b>	
Output 2.1: Local economic strategies and development plans are in line with national and provincial frameworks in three governorates	100%
Output 2.2: Economic and social regeneration pilot projects implemented in three selected governorates	95%

<b>Qualitative achievements against objectives and results</b>	
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
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"> <li>• Terms of Reference prepared for Land Governance Assessment Frameworks Study to be undertaken in partnership with World Bank.</li> </ul>
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"> <li>• Draft legislation on the establishment of a High Committee on Land Reform underway.</li> <li>• Order 80 on the expansion of the land working group issued.</li> <li>• Position paper on public land management that would lead to policies and legislation underway.</li> <li>• TORs prepared for additional studies on rural land management, peri-urban land management, land information systems, education in the land sector – these will need to be funded through Government co-financing.</li> </ul>
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"> <li>• Workshop undertaken in July and Land Policy Process, roadmap for reform process developed with land working group.</li> <li>• Follow up meetings took place in September.</li> </ul>
1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available	<p><i>[Activity supported by UN-HABITAT]</i></p> <ul style="list-style-type: none"> <li>• NTR</li> </ul>

<sup>20</sup> 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.

<sup>21</sup> The project document does not define concrete numbers of beneficiaries to be targeted.

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	<p><i>[Activity supported by UN-HABITAT]</i></p> <ul style="list-style-type: none"> <li>UN-HABITAT under this output is expected to contribute to learning sessions on land and planning issues related to economic recovery within UNDP-PSDPI organised workshops. Other than the workshop organised in Oct 2010 in Istanbul, there have been no further UNDP organised workshops for UN-HABITAT contribution. Based on this, UN-HABITAT assumes this activity is 100% complete.</li> </ul>
2.2.1 Technical support provided to identify priorities and program implementation in sector of Construction and Development Companies	<p><i>[Activity 2.2.1f (Construction and development companies) led by UN-HABITAT: achievement rate at 100%]</i></p> <ul style="list-style-type: none"> <li>Training for unemployed youth for construction skills and IT skills in relation to the construction industry provided for 206 beneficiaries in Erbil, 200 in Anbar and 132 in Basrah. 42% women trained.</li> <li>Training for improved operational and business skills for small scale contractors completed (44 Erbil, 50 Anbar, 11 Basra) 11% women trained</li> <li>Beneficiaries awaiting business loans from UNDP. Follow up on success in achieving employment also required.</li> </ul>
Procurement (major items)	<ul style="list-style-type: none"> <li>NTR</li> </ul>

<b>Main Implementation Constraints and Challenges</b>
<ul style="list-style-type: none"> <li>NTR</li> </ul>

## G. UN WOMEN

<b>Funds Committed</b>	USD 611,970	<b>% of received</b>	50%
<b>Funds Disbursed</b>	USD 577,000	<b>% of received</b>	47%
<b>Forecast final date</b>	On Schedule	<b>Delay (months)</b>	0

<b>Direct Beneficiaries</b>	<b>Number of Beneficiaries<sup>22</sup></b>	<b>% of planned (current status)<sup>23</sup></b>
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

<b>Quantitative achievements against objectives and results</b>	<b>% of planned</b>
<b>IP Outcome 1: The policy and regulatory environment is more conducive to private sector development</b>	
Output 1.1: National capacities for private sector development policies are strengthened	52%
<b>IP Outcome 2: Strengthened Economic recovery in three governorates in the South, Central and Northern areas of Iraq</b>	
Output 2.1: Local economic strategies and plans developed in line with national and provincial frameworks in three governorates	25%

<sup>22</sup> 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.

<sup>23</sup> 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	<p><i>[Activity supported by UNWOMEN]</i></p> <ul style="list-style-type: none"> <li>• Four core areas requiring review from a gender perspective were prioritized: <ul style="list-style-type: none"> <li>- Labor Law</li> <li>- Economic reform</li> <li>- The basic legal framework (Constitution and Civil Code)</li> <li>- Retirement law</li> </ul> </li> </ul> <p>Legal assessment for the core areas from a gender perspective and guidelines on how to mainstream gender into the legal review finalized. The papers produced by UNWomen will be shared with UNIDO and other stakeholders involved in the legal assessment for their review and feedback.</p>
1.1.7 A comprehensive Private Sector Development Strategy for Iraq is available	<ul style="list-style-type: none"> <li>• During this reporting period UN Women reviewed SME policy papers produced by ILO from a gender perspective. The founding of the review was shared with ILO. The Policy documents that were reviewed included the following: <ul style="list-style-type: none"> <li>- Paper one: Iraq- Small and Medium – sized Enterprise agency (SME) - Terms of Reference.</li> <li>- Paper two: SME assessment synthesis report.</li> <li>- Paper three: Policy Framework for the Development of Micro, Small and Medium-sized Enterprises in Iraq.</li> <li>- Paper four: Briefing note 1 – Institutional Agreements for SME.</li> <li>- Paper five: Briefing note 2 – Strategies for the Creation of Productive and Decent Employment in SME Sector.</li> <li>- Paper six: Briefing note 3 - Business Environment Reforms for Sustainable Enterprise Promotion.</li> <li>- Paper seven: Briefing note 4 - Building Sustainable Markets for Micro, Small and Medium Enterprise Development and Job Creation.</li> </ul> </li> <li>• UN Women finalized a report that included guidelines and recommendations on the following topics: <ul style="list-style-type: none"> <li>- The 10 Steps for Integrating Gender into the Policy-Making Process</li> <li>- Recommendations for Mainstreaming Gender into Iraq's National Policies</li> <li>- Recommendations for Mainstreaming Gender into National Survey Tools</li> </ul> </li> </ul> <p>The guidance document will be shared with all Agencies for feedback and once they are finalized they will be translated into Arabic and printed.</p>
1.1.8 Gender is mainstreamed in the program ensuring women`s full participation in policy and strategy design	<p><i>[Activity led by UNWOMEN: achievement rate at 45%]</i></p> <ul style="list-style-type: none"> <li>• UN Women drafted a TOR to form a follow up committee on the business Women initiative. UN Women shared the TOR with the SMOWA, once the TOR is endorsed by the SMOWA, the SMOWA in close coordination with UN Women will nominate the members of the follow up committee.</li> </ul>

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 UNWOMEN]</i> <ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>
2.1.4 Promote gender mainstreaming and women participation in local strategies and plans	<i>[Activity led by UNWOMEN: achievement rate at 12%]</i> <ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• Nothing to report this quarter.</li> </ul>

<b>Main Implementation Constraints and Challenges</b>	
<ul style="list-style-type: none"> <li>▪ The SMOWA has limited capacity and that is hindering the implementation of some specific activities that is revealed to the Business women initiative.</li> <li>▪ The absence of UN Women representative in Iraq, which led to postpone some high level meetings with the Minister of SMOWA and senior officers in the Advisory Council. It is anticipated that the assignment of the new Iraq Programme Manager on February 2012 will fasten the implementation of the project activities.</li> </ul>	