

DRAFT



Sector Midterm Review Report

Sector: *Agriculture and Food security Sector Outcome Team*

Reporting period: January 1, 2008 – March 31, 2009

A) OVERALL ASSESSMENT OF PROGRESS TOWARDS UNCT OUTCOME

| UNCT OUTCOME | | | |
|--|-------------------------------|----------|---|
| <p>● Enabling environment created for sustaining agricultural development and food security</p> | | | |
| Suggested Indicators | Baseline | Target | Status as of 3/2009 |
| ● GOI counterparts develop policies supporting environmentally sustainable productivity | None | | GOI counterparts trained and supported; seed law and water resource management strategy drafted; Agreement on water conservation by all Riparian countries is under negotiation |
| ● More livelihoods created in agriculture production and agri-industries | 4,600 trained |50% | 4,660 unemployed & underemployed trained; beneficiaries trained; 50% of trainees start cottage industries |
| ● More agriculture land is rehabilitated and becomes productive | As per area development plans | |agriculture infrastructure for water sources and irrigation rehabilitated or provided; technical staff & pump operators trained; water users' assns. formulated ; water conservation issues disseminated |
| <p>During the reporting period, members of the Sector contributed to the UNCT outcome “Enabling environment created for sustaining agricultural development and food security” through interventions that aim at (1) enhancing production in the agriculture sector, (2) reducing poverty and creating employment for vulnerable groups, and (3) contributing to the improvement of Iraqi agriculture policies and natural resources management. Interventions included water resources management and rehabilitation, capacity building activities and transfer of new and upgraded technology to both GOI and other stakeholders, provision of training, equipment and services to unemployed and other vulnerable groups to enable them to improve their access to sustainable employment activities in the agro-industry sector. Moreover, a number of food chains have been rehabilitated.</p> <p>The training of GOI technical staff, farmers and other stakeholders in the field of irrigation, seeds, date palm, fisheries and will contribute towards the establishment of a sustainable agricultural environment.</p> <p>The development and approval by the GOI of the National Seed Policy provides the blue-print for the future growth of seed sector as a viable national industry and the vital engine of agricultural growth.</p> | | | |

B) OVERALL ASSESSMENT OF PROGRESS TOWARDS SECTOR OUTCOMES

| SECTOR OUTCOME 1 | | | |
|--|----------|--------|---------------------|
| Enhanced production and productivity in the agricultural sector | | | |
| Outcome Indicators (Revised and/ or | Baseline | Target | Status as of 3/2009 |
| | | | |

| suggested) | | | |
|--|-----------|------|--|
| ● Total increase in water delivery (3 cubic meters/day) | | | Increased water delivery of 6.91 million cubic meters per day |
| ● Total increased area under irrigation (ha) | | | Increase of 60,900 hectares |
| ● Increase in production capacity of targeted Micro and Small agro industries and enterprises (kg/dunum) | | | Increased total beneficiaries: 63,300 |
| ● Wheat Production (MT) | 2,203,000 | none | 1,255,000 |
| ● Average Yield of Wheat (kg/dunum) | 350.8 | none | 218.6 |
| ● Rice Production (MT) | 392,800 | none | 248,200 |
| ● Average Yield of Rice (kg/dunum) | 789.8 | none | 731.9 |
| ● Date Production (MT) | 430,861 | none | 476,318 |
| ● Average Yield of Date (kg/dunum) | 54.9 | none | 60.3 |
| ● % of increase per annum in income of targeted Micro and Small agri-industries and enterprises | 0% | 30% | Survey needs assessment to define the potential client pool and income of small and micro industries is ongoing. |

Despite the difficulty in measuring the realization of the outcome indicator, i.e. "percentage of reduction of agricultural imports", the Sector's interventions have played a significant role in improving both human and infrastructural resources required to facilitate both a qualitative and quantitative leap in Iraq's agricultural productive capacity.

All programmes included an element of human capacity development and seek to transfer knowledge on technological innovations to Iraqi stakeholders whether in the public or private sectors. FAO directly trained 169 GOI technical staff and 75 farmers and introduced 9 new farm technologies into Iraq thereby providing knowledge necessary to improve the level of productivity within the Agricultural Sector.

The technical capacity of selected agro-industries and the linkage of those to the market have been increased through the provision of equipment and technical knowhow by UNIDO/FAO programmes. It has been assumed the enhanced technical capacity will contribute to increasing the quality and quantity of production sold in the agro-industry sector reducing the volume of imports.

FAO delivered and commissioned 121 pieces of equipments and machinery of 61 different types/specifications that are required to enhance Iraqi research and production capacity. These equipments are utilized in upgrading the Iraqi Seed Industry, Fisheries Programme, Irrigation capacities and Agro Processing capacities.

As a result of the Sector's activities within the irrigation and water resources programme, FAO rehabilitated 9 major pumping stations and 28.4 kilometers of main and branch canals were cleaned thus directly causing an increase in water delivery by 6.91 million Cubic Meters of water per day and increased irrigated area in Iraq by 60,900 hectares.

Moreover, UNIDO's activities in support of agro-industrial capacity in Iraq increased by 50% the production capacity of a major date processing factory.

A total of 15 Production Groups (PGs) consists of a number of unemployed vulnerable persons, have been selected in Erbil and Sulaymaniyah and provided with locally relevant food-and non food technology equipment (welding, woodwork, sewing, weaving/carpet (UNIDO) and dairy, beekeeping, olive processing, fruit & vegetables processing (FAO)). Those PGs have been endorsed by the related Line Ministries and currently receiving capacity building trainings from the line ministries and extension workers in mentoring and business management. The know-how and appropriate technology transferred to selected agro industries in Northern Iraq, and Diwaniyah, will contribute to a more efficient production capacity of the small and micro agro industries raising their annual incomes and profits. Survey assessment in order to determine the challenge in terms of selected small micro industries production capacity is ongoing

A total of 11 Vocational Training Institutions and Line ministry directorates in Erbil and Sulaymaniyah have been upgraded with appropriate agro-industry technology (food and non food). Meanwhile, the rehabilitation and upgrading of Diwaniyah vocational Training center have been completed.

A total of 63 trainers/extension workers from the line ministries (Agriculture, Planning, Labour, and Social Affair) have been trained in different agro-industry practices and management skills in Erbil and Sulaymaniyah. Moreover, an additional number of 52 trainers and extension workers from the line minister in Diwaniyah governorates have been provided with technical knowhow in food and non food

sector and business management skills.

A pool of 18 National Experts has been created / trained to support the upgrading of other enterprises in the dairy sector in Diwaniyah. The upgrading of business and development management skills of the line Ministries and directorate staff has an important role in the production as it will generate a more capable local community.

Under the reporting period have been observed that the provision of appropriate agro-processing technical skill and locally relevant toolkits to the selected vulnerable beneficiaries facilitate their engagement in viable small-scale agro-industries activities increasing their opportunity of employment and contributing to raise up their annual income.

As a result of the last Training of Beneficiaries (TOB) survey assessment, conducted by UNIDO, it has been observed that the 40% of selected and trained beneficiaries were employed in small scale enterprises. Moreover, it has been observed that the 10 % of the successfully trained beneficiaries in northern Iraq established new cottage/small enterprises in the agro-sector. Those new production activities are contributing to increase the vulnerable income generating additional opportunities for others

One community based supply chain for milk in Diwaniyah has been developed by UNIDO's intervention starting from processing to packaging.

Programme for Human Security & Stabilization (PHSS) is a two-phase (2007-08 and 2009-10) programme of IOM mission in Iraq targeting both migrants and ordinary residents with focus in returnees and unemployment citizens. PHSS assisted farmers with in kind grants, trainings and Marketing to develop the agriculture activities and increase their production in three governorates: Muthanna, Basra and Baghdad. The programme activities in the targeted areas and through implementing partners CHF and ACTED NGOs impacted the lives of over 11,700 Iraqi farmers in agriculture sector.

IOM through implementing partners CHF and ACTED in Muthanna trained 2,463 farmers in agriculture extension and new rice cultivation method and provided 200 water pumps and 20 rice threshing machines (1 machine per 100 families) to improve the agricultural system and sector employment opportunities in this area.

A number of selected dairy processing facilities have been equipped with waste water affluent and other basic energy installation and 400 enterprises staff in Diwaniyah provided with GHP and GMP. Enterprise quality control laboratory in the dairy sector established and equipped in Diwaniyah Governorate

SECTOR OUTCOME 2

Sustainable employment for vulnerable groups created

| Outcome Indicators (Revised and/ or suggested) | Baseline | Target | Status as of 3/2009 |
|--|--------------------|--------|---------------------|
| ■ % of targeted, potential beneficiaries employed in small/micro industries production activities | # per program area | 30% | 10% |
| ■ % of targeted, potential beneficiaries who have established new cottage/agri-industries activities | # per program area | 70% | 40% |

The Sector's intervention in the Cottage Industry Sector through joint Programmes between FAO and UNIDO provided support to micro industries processing fruits, vegetables, dates, sesame, milk and dairy and beekeeping thereby adding value to agricultural produce that normally goes to waste due to lack of processing facilities and in the process generating jobs and income earning opportunities among vulnerable members of the Iraqi population.

A total number of 250 vulnerable beneficiaries selected from different sub-districts of Al-Qadissiya governorate received trainings in food and non food practices. The 30% of the so far trained beneficiaries are women. Moreover, total of 2,125 vulnerable individuals (including 1800 females), in Erbil and Sulaymaniyah, have been provided with trainings in food and non-food technology practices increasing their production skills in the agro-industry sector. Under the same project, a total number of successfully trained beneficiaries from urban and rural areas of northern Iraq have been provided with toolkits in order to facilitate their engagement in new activities in the agro-industrial sector (set up new micro/small enterprises / self-employed). The project interventions in Erbil and Sulaymaniyah generated 200 additional jobs in the agro industrial sector. It is expected that additional 2,000 will be generated in Diwaniyah and Fallujah at the end of 2010.

Through these programmes master trainers are trained in food processing and beekeeping, and the master trainers then provide training to beneficiaries (production groups). Other than inputs, training materials are developed and tool kits are distributed to the beneficiaries. The support to cottage industry is estimated to have created employment opportunities for 1400 unemployed vulnerable individuals.

Moreover, the Sector's programmes on the rehabilitation of the fisheries sector is estimated to have created 800 job opportunities both in connection with rehabilitation work in the constructed hatchery in Wassit Governorate and through the pilot fish hatcheries and farms in many governorates.

In the long term private fish farmers will develop the capacity to manage and expand the fishery/aquaculture sector and is estimated to create around 4,500 job opportunities in the long term.

SECTOR OUTCOME 3

Environmentally sustainable Agricultural Policy & Natural resource Management

| Outcome Indicators (Revised and/ or suggested) | Baseline | Target | Status as of 3/2009 |
|--|----------|--------------------------------------|---|
| GOI has capacities to develop and improve agriculture policies | none | GOI agency counterpart staff trained | - Statistics Dept. Staff under MoPDC trained |
| Integrated policy for increasing agriculture productivity and environmentally sound management of natural resources formulated | none | Policy drafted | - Pipeline: Project under development to train GOI counterpart agency staff to analyze agri-industrial census data; - Strategy for Land and Water resources in Iraq, water systems planning model developed; - National seed law draft formulated |

The Sector's programme through FAO to rehabilitate and develop the Iraq Seed Industry includes a component of developing a National Seed Policy and an Iraqi Seed Law. Achievements to date have been the development and approval by the GOI of the National Seed Policy provides the blue-print for the future growth of seed sector as a viable national industry and the vital engine of agricultural growth with the active participation of the private sector.

The Policy presents the coordination, control and oversight mechanism specifying role and responsibility of each actor in the national seed programme, wherein the Government's role will be service-oriented, facilitator and regulatory in nature and the private sector would be involved in seed sector trade and entrepreneurship. The seed market would be made more competitive with gradual withdrawal of the subsidies. The seed legislation and the regulations to implement the Policy will provide the enabling environment for supply to farmers of high quality seeds at the right time, at appropriate locations and at affordable prices. Such an environment would contribute to improved production and productivity of food crops.

C) RECOMMENDED ADJUSTMENTS IN UNCT AND/ OR SECTOR OUTCOMES (WITH RATIONALE)

The only recommended adjustment is on outcome 3 of the Agriculture Sector. The revised outcome is: "Environmentally sustainable agricultural policy and natural resources management" This was recommended to capture the related conservation activities and soft assistance to counterparts being undertaken to ensure environmental sustainability of natural resources.

D) KEY ASSUMPTIONS, RISKS AND OPPORTUNITIES

Assumptions:

- Current trend in improved security persists
- Current level of cooperation and coordination between FAO and the national counterparts continues or improves
- Future required funding is secured
- International prices and costs of necessary key inputs remain stable or decrease.
- A key assumption is that agriculture and food security are driven by healthy environment, and depend on the government's ability to manage natural resources in a sustainable fashion
- The AFSSOT provides an opportunity for national issues and priorities for the environmental and natural resources to be addressed in a coordinated manner. Links to other SOTs must also be made.

Risks:

- Persistence of drought conditions undermine agricultural production and productivity
- Security conditions and access deteriorate following the expected withdrawal of MNF-I

Opportunities:

There is an opportunity to expand partnership with local and international NGOs in order to improve access in the field. The fragile security situation hampers free movement of international and national project staff and consultants, posing some difficulties to the effective implementation of project activities.

Effective targeting of women remains a challenge for project managers. The project is working in a more traditional part of the country and securing women to be enrolled in training programmes, travel (escorted and non-escorted), decision-making bodies, and other aspects of the project have been difficult and the prognosis for improvements over the project cycle are limited.

Limited cooperation and assistance by the project national counterparts have been encountered during the last 3 months of project activity implementation. Major collaboration by the GOI counterparts might accelerate the achievement of the complete.

E) JOINT PROGRAMMES, UN CONVERGENCE AND SYNERGIES

FAO and UNIDO have implemented a number of Joint Programmes through AFSSOT. However, the majority of the programmes were implemented by FAO. The future emphasis is to increase joint programming among AFSSOT members, which was reflected in the AFSSOT funding proposal to the EC where most of the programmes were joint programmes.

Processing and auxiliary income-generation

Project A5-17 and A-20 are joint UNIDO/FAO programmes. In line with their administrative rules and regulations, the two agencies have sole responsibility for all decisions regarding staff recruitment, contractual agreements. Under the terms of the project, FAO concentrates on the food processing component of the project while UNIDO focuses its efforts on the non-food processing and auxiliary income-generation components. Coordination between the two agencies is constantly ensured by regularly held Project Management Unit meeting at field and Amman level. A clear communication plan has been endorsed by the agency for the project implementation modality.

The uniqueness of the Marshlands as a finite geographical area that extends into several governorates, but also as an ecologically and socially sensitive area, means that there is great opportunity for UN convergence with the government of Iraq

The current joint UN programming for the Iraqi Marshlands should provide solid synergies for agriculture, food security, and environmental development to be addressed under a single framework. UNESCO and UNEP should provide greater leadership in this framework.

Key achievements have been realized on environment, gender and employment crosscutting issues. All technologies disseminated, under UNIDO project, are locally relevant trying to minimize 'shocks' to project targeted communities. Raw materials for training of beneficiaries have been utilized in order to minimize impact on the environment. More than the 50% of the selected beneficiaries trained and receiving start-up toolkits are women/women headed households. They constitute the substantial part of the population especially among the rural areas.

F) LESSONS LEARNED

There is a need to better align future FAO interventions to the AFSSOT and UNCT outcomes/outputs. There is also a need to improve the M&E activities of FAO and improve reporting against outputs and outcomes.

Given the current UN operational modality due to the security situation in the country and the limited international access that results from this modality (remote location management), the Project has established a flexible management structure (Project Management Unit - PMU) to implement and supervise the project.

Implementation and work plan activities are conducted according to the Project Steering Committee-endorsed operational work plans. Continuous oversight of project implementation activity is provided by the PMU, which has setup mechanisms to ensure that the plans and progress towards producing outputs and achieving the objectives of the project are regularly reviewed.

Database for tracking project activities on training of trainers, training of beneficiaries, delivery and distribution to the end users of project equipment have been set up for project A5-20 and A5-17. A guideline for reporting methodology at field level included appropriate form/template has been distributed to the project staff. Training to the field staff on reporting methodology has been delivered under project A5-20 and A5-17.

The consideration of management of water and other natural resources was not made sufficiently in the initial planning process of the current AFSSOT matrix. As such, most of UNESCO's planned activities in this sector were difficult to pigeon-hole under the original outcomes and outputs. While agriculture is a sector dominated by FAO and to some extent UNIDO interventions, care was not taken in the preparation process to incorporate contributions from other important agencies such as UNESCO and UNEP. This is also a reflection that more environmentally related interventions were marginalized in other SOTs as well.