

**Title of Proposed Project/Programme:**  
Micro-Industries Support Programme

**Programme Description:**

MISP aims to increase the capability of project targeted agro-industries to upgrade their enterprise capacity so as to create viable and sustainable productive activity, improve technology utilization rates, raise firm-level value-adding activities, and strengthen agro-related commodity and service provision marketing capability.

**Programme Costs:**

Total Cost: US\$ 10 million

Government contribution (tentative): US\$ 1 million

**Programme Location:**

Governorate(s): Identified. To be finalized.

**Programme Duration:** 24 Months

**National priority or goals (NDS 2007- 2010 and ICI):**

**NDS:**

Expected outputs of the project contribute and work towards achieving the objectives set forth in Iraq's National Development Strategy. The three core pillars are as follows:

1. Strengthening the foundations of economic growth
2. Revitalizing the private sector
3. Improving the quality of life

**Sector Team Outcome(s):**

Outcome 1: Enhanced production and productivity in the Agricultural sector.

Output 1.4: Technology transferred for rehabilitation of Agro-Industry and SME's.

**1. Executive Summary:**

The project addresses the socio-economic priorities of the selected Governorates with a focus on improving the socio-economic conditions of the population in the Governorate through community empowerment, rehabilitation of productive capacities, and the promotion of income generating activities / job creation.

More specifically, the project aims at increasing the capability of rural and urban communities in the region to engage in viable agro and non-agro enterprises, reducing their dependency on relief aid and helping them to move towards sustainable livelihoods.



**2. Situation Analysis:**

The agriculture sector is a major economic sector, agricultural productivity has dramatically declined in recent years due to the war and the limiting factors to productivity such as inputs and the limited capacity of farmers to save and finance their productive activities.

The long lasting conflict in the region has led to the destruction and near collapse of the education and vocational training systems. Existing institutions have difficulty in providing their services effectively and efficiently due to a lack of trained manpower and poorly-equipped training facilities. The youth make up a large portion of the population that has been most seriously affected by these deficiencies and are increasingly dissatisfied with lack and quality of training, and employment opportunities in their

communities. This segment of the population lacks both the marketable skills, technical knowledge, and financing to initiate any kind of income generating activity such as trading or the provision of services.

### 3. The Proposed Integrated Programme:

The proposed integrated programme will target the following core activities:

- Conduct a targeted needs assessment survey to identify the strategic investments and interventions required to promote agro-industrial development.
- Rehabilitate and equip vocational training centers in project targeted communities to upgrade the vocational, technical, and entrepreneurial skills of project beneficiary groupings.
- Identify and select a strong cadre of Training of Trainers who will be able to lead various training sessions, which will also help to enhance the sustainability of the project through its institutional strengthening components.
- Training of Beneficiaries in relevant and appropriate skills and technologies.
- Support the establishment and/or revitalization of Production Groups and agro-industries.
- Develop the capacity of the Ministries of Planning, Agriculture and Industry to monitor progress made towards the achievement of the project's expected results.
- Establish market linkages and sustainable micro-enterprises utilizing skills and know-how of the trained beneficiaries.
- Improve income generation activities of micro-industrial enterprise through targeted market linkages, up-graded core management skills and business planning activities.
- Improve access to working capital and small-business loans for expansion and financing of sustainable micro-industrial enterprises.



### 4. Anticipated Outputs and Results:

- More capable local community organizations established through technical assistance and capacity building packages aimed at GoI counterpart ministries and local governments.
- Production Groups and revitalized agro-enterprises are established and linked with markets.
- Basic agro-industrial production/productivity is raised.
- A minimum of 8000 households benefiting from improved technologies utilized by the agro-industrial sector.
- A minimum of 2400 young men and women provided with marketable skills to enable them to obtain jobs and/or start up an economic activity.
- Enable large number of youth and women who have been deprived by the conflict to gain basic knowledge in productive skills through practical experiences and activity-based learning.

## 5. Implementation and Management:

This programme will be implemented in cooperation with UN agencies and International NGOs. UNIDO, FAO, and IOM will have the overall responsibility for the implementation of the project and the appropriate use of donor funds. The integrated programme will be



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supported by international NGOs ACTED and IRD as technical implementing partners.

ACTED has developed extensive experience in vocational training, both in Iraq as well as other countries in the Middle East and Central Asia, where support to small businesses included linkages with microfinance products (i.e. micro-loans), either directly through ACTED or through linkages with OXUS Development Network, ACTED's independent network of MFIs complementing its relief and rehabilitation activities.

In Iraq, two projects including income generation activities as well as capacity building and vocational training are currently in the last phase of implementation with the support of IOM and OFDA, both in Northern and Southern areas of the country.

International Relief and Development (IRD) has an extensive, on-the-ground presence in Iraq, working at the community level in nearly every province. IRD's work focuses on livelihood protection and promotion through quick start-up programs that leverage local resources and build on existing capacities. Much of IRD's livelihood programs are agricultural given the economic realities of most of the rural communities where it works. These programs provide participating community members and organizations, such as farmer associations, with business grants to restart economic activities and technical training on a variety of topics designed to improve efficiency and to increase productivity.

IRD will work with local communities, farmers associations, and vocational education centers to provide them with technical training on post-harvesting handling and storage of agricultural production, focusing particularly on perishable crops such as fresh vegetables and fruits. IRD will call upon its strategic partner, the Global Cold Chain Alliance, for the identification of highly-qualified international experts as trainers and for technical materials. As part of the initiative will identify low-cost, passively cooled on-farm and community-level storage structures that will form the base of an eventual cold chain for fresh produce. As well, IRD will also work with the same entities to provide technical training on home-based and association-level food processing. IRD will work with the University of Baghdad to build upon existing research as well as to take advantage of long-standing food preservation technologies in rural communities. IRD



will also facilitate a relationship between the University of Baghdad and another strategic partner institution, North Carolina Agriculture and Technical State University, which has extensive experience in food processing and preservation technologies. A final aspect of this proposed initiative will be to work to forge market linkages for both fresh and processed commodities. The expected outcome of this project would be increased incomes for participants, greater skill level, institutional capacity building, and improved market integration from farmer to consumer.

## **6. Monitoring, Evaluation, and Reporting:**

Continuous review mechanisms have been designed for the project in order to provide the project stakeholders effective project visibility. Coordination and communication at the field level are also key elements to ensure ownership among stakeholders, provide early warning of potential problems, take corrective action and facilitate the smooth implementation of the components of the project.

Within each organization project support office, the responsible technical and operational project officers assure that proper coordination through regular meetings and sharing of information flows.