

**PROMOTION OF COTTAGE INDUSTRIES
IN RURAL AND URBAN AREAS PROJECT**

FB/IRQ/04/001 (UNIDO Project Number)
OSRO/IRQ/405/UDG (FAO Project Number)

IRAQ

Independent Evaluation Report

United Nations Industrial Development Organization (UNIDO)

and

Food and Agriculture Organization of the United Nations (FAO)

December 2007

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Acronyms

| | |
|-----------|---|
| AGSI : | Agro-Industries and Post-Harvest Management Service of FAO |
| AWPB: | Annual work programme and budget |
| CICC: | Cottage Industry Community Centers |
| CTA: | Chief Technical Advisor |
| FAO: | Food and Agriculture Organization of the United Nations |
| ID: | Iraqi Dinar |
| IDP: | Internally Displaced Person |
| GOI: | Government of Iraq |
| MDG: | Millennium Development Goal |
| M&E: | Monitoring & Evaluation |
| MIS: | Management Information System |
| MSSEs: | Micro- and small-scale enterprises |
| MOA: | Ministry of Agriculture |
| MOLSA: | Ministry of Labor and Social Affairs |
| MPDC: | Ministry of Planning and Development Cooperation |
| MTE: | Mid Term Evaluation |
| NCIPC: | National Cottage Industry Policy Committee |
| NDS: | National Development Strategy |
| NPC: | National Project Coordinator |
| NPSCI: | National Programme for the sustainability of Cottage Industry |
| PA/G: | Production association/group |
| PSC: | Project Steering Committee |
| TK: | Toolkit |
| ToB: | Training of Beneficiaries |
| ToT: | Training of Trainers |
| UNAMI | United Nations Assistance Mission for Iraq |
| UNEP: | United Nation Environment Programme |
| UNDG-ITF: | United Nations Development Group-Iraqi Thrust Fund |
| UNDP: | United Nations Development Programme |
| UNIDO: | United Nations Industrial Development Organization |
| VTC: | Vocational Training Center |

PREFACE

Acknowledgment

The evaluation team would like to thank all project stakeholders, including the staff of UNIDO, FAO, the counterpart ministries in Iraq, and the Project Steering Committee members who gave their time to this evaluation. Discussions were always frank, fruitful and stimulating, providing insights to the multi-dimensional issues related to the promotion of the cottage industry sector in Iraq.

The evaluation team is especially grateful to Mr. Chakib Jenane, Senior Development Officer-UNIDO; Mr. Peter Loewe, Senior Evaluation Officer-UNIDO; Mr. Rudi Van Aaken, Operations Officer-FAO; Mr. Francois Mazaud, Senior Technical Officer-FAO and Mr. Bernd Bueltemeier, Evaluation Officer-FAO, for the time and effort put into ensuring that the evaluation team met its purpose during this evaluation. The evaluation team commends Mr. Teame Tewolde-Berhan, Chief Technical Advisor–UNIDO-Iraq Programme, based in Amman; and Mr. Yeseer Ghesi, National Project Coordinator based in Nassriya for their patience, understanding and support provided to the survey team during its arduous field work of interviewing project beneficiaries.

Evaluation team and timing of the exercise

The evaluation team is composed of two international evaluators as authors of this report, Mr. Majid Slama, Economist, and Mr. Matthias Grunewald, Socio-Economists; one national evaluator as team leader of the field survey, Dr. Najah Rasool, Statistician; and 2 national surveyors, Ms. Narjis Thejeel, Engineer, and Mrs. Sudad Temimi, Lawyer. The evaluation work took place during the period 22 June - 30 November 2007.

Structure of the evaluation report

This report presents the findings, conclusions and recommendations of the evaluation team based on a set of evaluation criteria: relevance, ownership, efficiency, effectiveness, impact and sustainability. The report has the following structure: after an introduction to the evaluation approach and its limitations (Chapter II), and a general short description of the country's situation and project context (Chapter III), an assessment is made of the project document (Chapter IV). Chapter V analyzes the progress of the project in terms of achieving its expected outputs and outcomes as well as impact. Chapter VI assesses the performance of the project according to the above mentioned criteria. Some deliberations concerning an exit strategy and a second phase of the project are provided in Chapter VII. The conclusions on the overall implementation of the project are presented in Chapter VIII. The recommendations and lessons learned are presented in the Executive Summary at the beginning of the report

Map of Southern Iraq showing the Project Area



I. Executive Summary

Background

The UNIDO/FAO project “*Promotion of Cottage Industries in Rural and Urban Areas of Thi-Qar Governorate*”, also referred to as ‘Cottage I’, increases the capability of rural and urban vulnerable groups to engage in viable income generating cottage industry activities. With a budget of 5.0 million USD, the project has been implemented under particularly difficult conditions characterized by over two decades of wars, sanctions and isolation, leading to social disruption, general economic distress, and dramatic deterioration of socio-economic infrastructure, institutions, security conditions, quality of life and human development prospects.

The project has been formulated and implemented jointly by UNIDO and FAO and financed by the UNDG-ITF. In line with UNDG ITF requirements for emergency interventions the initial duration of the project had to be limited to 24 months. Initially designed to cover all four Governorates of Southern Iraq and to serve 6.000 beneficiaries, the project faced severe difficulties leading to a reduced geographic coverage and scope and to extending its duration. The revised project focused on Thi-Qar governorate only and aimed to serve 1.500 beneficiaries . It has an implementation period of 35 months starting on 1 November 2004 and ending on 31 December 2007.

‘Cottage I’ was well received by the donor community and by Government and paved the way for a number of similar UNIDO/FAO projects in other regions of the country. The total budget of the entire cluster of similar projects amounts to approximately USD 25.0 million.

This independent evaluation concentrated on ‘Cottage I’. It offers recommendations for the finalization of this project but also for the other projects under the cluster as well as lessons learned of wider applicability.

The evaluation team was composed of two international evaluators and three national evaluators. Because of security reasons the international evaluators were not permitted to travel to the project area. Due to these limitations, the evaluation relies mainly on desk reviews, discussions with project management and counterparts and on the field surveys conducted by the national evaluators.

Project philosophy

The basic philosophy of the project has been that a combination of short-term training courses (between one week and about one month) and distribution of “toolkits” would allow vulnerable groups from rural and urban areas to engage in income generating cottage industry activities. To implement this approach under the prevailing conflict conditions the project had to rely on the trainers and physical infrastructure of existing vocational training and extension centers (VTCs).

This public-sector-based approach was complemented, at least during the design stage, by attempts to also involve private sector players for training, coaching and job creation. Effective private sector involvement, however, remained very limited, due to the economic environment, limited access to the project area but also to the counterpart structure of the project (three different ministries but none of them specifically in charge of private sector development).

Project achievements

Overall, 'Cottage I' produced remarkable results. Under the difficult conditions of transition from a conflict to a post-conflict environment, UNIDO and FAO managed to strike the difficult balance between an emergency intervention and a long-term development project.

Renovation of Vocational Training Centers

The project reconstructed/renovated three training centers. The civil engineering works and the equipment of the centers with training production lines in food and non-food areas were delayed, due to difficult conditions. The Nassriya non-food VTC (MOLSA) was completed in August 2006, the Al Qorna food center (MOA) in January 2007. Since their completion the centers are intensively used for training.

Training of trainers

61 persons participated in training of trainers (TOT) courses organized by the project, all of them abroad. Approximately half of the persons trained belonged to Government offices, while the other half were trainers at VTCs and extension centers. It is estimated that about half of the persons trained as trainers eventually provided training to beneficiaries. Trainers experienced the TOT as very relevant for the courses they delivered.

Development of training material

Based on existing manuals and audio-visuals FAO and UNIDO prepared a variety of training material for the cottage industry courses. Translation into Arabic is continuing in the MOLSA. All 15 trainers interviewed explained that they make intensive use of the training material. More than half of them considered the material as 'very useful' and the remaining ones were satisfied but thought the material needed further development. The VTC directors argued that training material is much better than what they had at their disposal before and that the project courses were hence more effective.

Training of individual beneficiaries in cottage industries

As of 31 October 2007 1282 beneficiaries have been trained (85% of the target; 55% in non-food industries) in 94 training courses, 56 in non-food and 38 in food processing areas. At the moment of the evaluation the training in food areas was still ongoing. The training focused on technical subjects, although the importance of entrepreneurship and marketing issues was increasingly recognized and the respective training modules enhanced. Geographical balance was satisfactory and an equal number of men and women received training.

Donation of toolkits as start-up capital

The best graduates received toolkits for-free as a start-up capital. For non-food production 73% of the 435 available toolkits were distributed and 85% of 235 toolkits for food production. 68% of the toolkits were distributed to women. Although the distribution of toolkits was sometimes delayed, recipients considered the toolkits as critical assets for the rapid establishment of a business.

Self-employment and employment in existing micro-enterprises

The number of beneficiaries who became self-employed or were hired by micro-enterprises after training is substantial. Out of 332 interviewed beneficiaries, 4 out of 5 either established a business or were hired by an employer. The majority of those who were hired by an employer have been working on a full time basis. Those beneficiaries who established their own enterprises are in reality part-time self employees and on average; they are using only,

40% of their production capacity. The skills and capabilities acquired through the training are considered as important human assets and social capital for empowerment. The lasting impact of the training, however, in the form of improved livelihoods through increased income is difficult to assess at this stage of one year activity.

Establishment of production association/groups (PA/Gs)

So far, 10 out of 15 targeted PA/Gs were established, of which 9 are operational and one dissolved. The production equipment for PA/Gs was donated and the production locations were either rented for one year for free by the project or provided for free by the communities. It is estimated that the production capacity is used to about 50%. Sales of products as assessed by PA/G members are *low* for 3 PA/Gs and *modest* for 3 others.

Mentoring

Mentoring of trained beneficiaries once these would have had established their business was an element of the initial project design. This element was not particularly successful although it had been recognized as critical. Due to the delays of the training and the subsequently delayed start of cottage businesses and also because coaching is not an element of the traditional job descriptions of VTC trainers, only a limited number of beneficiaries received mentoring services.

Project design and formulation

The initial project document suffered from a number of weaknesses. Project objectives and project activities are mentioned repeatedly but inconsistently; the intervention logic of the project is flawed; the management of the project is insufficiently described; no clear role has been assigned to counterpart ministries and “round-table-discussions” is the only mentioning of a steering mechanism. The general impression is that the project document was prepared in a rush and more for fund raising purposes than for providing clear perspectives and detailed guidance.

It appears that the authors of the project document intended to overcome these weaknesses by an inception report, which is explicitly referred to in the project document. Such a report would have been an opportunity to clarify and adapt the project strategy. The inception report was, however, not prepared.

Project management

From the outset an efficient steering mechanism was put in place that overcame many of the respective weakness of the project document. The Steering Committee met regularly every six months and performed its steering functions effectively.

Project management was carried out by a joint UNIDO/FAO project office in Amman and a NPC in Nassiriyah. Construction works of the project were supervised by independent civil engineers specifically contracted in the project area for this purpose.

Overall project management and leadership were with the agro-industry branch of UNIDO. It is, however, not entirely clear on which grounds the project has been located there, bearing in mind that the UNIDO part concerns explicitly only “non-food” activities.

Project evaluation

Relevance

The relevance of the project has been clearly demonstrated. It is relevant to both, the GOI National Development Strategy (NDS) and the UN assistance strategy in terms of creating

employment and improving income of vulnerable groups. The targeted Governorate of Thi-Qar has a population of ca. 170.000, an unemployment rate of 46% and approximately 11.000 vulnerable households. About 12 percent of the vulnerable households of the Governorate benefited from the project.

Ownership

The ownership of the project is strong as reflected by

- (i) the awareness of the project's activities by senior staff of the three ministries, their active involvement in the PSC deliberations, the significant in-kind and financial contribution through the provision of three VTCs including operating cost in addition to trainers and their salaries;
- (ii) the continued use of the project course syllabi and training material by the trainers and;
- (iii) the strong identification of VTCs managers, trainers and trainees with the project.
- (iv) The intentions of the GOI to establish a national steering committee for cottage industry development.
- (v) The positive statements made at the PSC meetings by the three counterpart ministries, letters of appreciation from city councils are further signs of strong ownership.

However, the private sector dimension of the project was not well reflected in the counterpart structure (no ministry in charge of private sector development; no business associations).

Efficiency

Considering the difficult circumstances the project has been efficiently implemented. Despite certain incompatibilities between their respective accounting systems, management arrangements between UNIDO and FAO were flexible taking advantage of the respective strengths and weaknesses.

Most of the project outputs were delivered, although in many cases with delays. The needs assessment survey, the training of trainers, the selection of project beneficiaries, and the development of training material were completed on time. The renovation of the VTCs, the procurement of toolkits and equipment, the training of beneficiaries and the registration of PA/Gs experienced long delays.

There are, however, no signs that these delays could have been avoided by a more efficient project management. On the contrary, project management and HQ leadership appear to be remarkably efficient taking into account the complex multi-stakeholder setting.

If there were any management weaknesses these were rather related to the more strategic aspects of project management. Private sector involvement was not unfolded as anticipated in the needs assessment; the concept of cottage industry development was not clarified; the different career patterns (self-employed, hired and PA/G member) did not lead to define different capacity requirements of beneficiaries in terms of curriculum modules and toolkits; management missed the opportunity of formally redirecting the strategy by not preparing an inception report. The strategic importance of mentoring was not fully recognized leading to a late start and limited scope of this component. It may be that an involvement of private sector specialists from other branches of UNIDO and FAO in project planning and monitoring could have contributed to avoiding these strategic weaknesses.

Effectiveness

There are strong signs that the main objective has been reached effectively given the difficult project environment. Four out of five trainees became either self-employed (although not at

full capacity) through establishing their own business or became hired by existing MSSEs. All interviewed beneficiaries declared that the project has improved their livelihoods. The survey suggests that the incremental income of individual beneficiaries makes up 20% of the total income of their households.

However, effectiveness could have been even higher if the following limiting factors had been avoided:

- (i) Over-reliance on VTCs as training locations, which became available only very late due to delayed completion of the construction/renovation works;
- (ii) Only about half of the persons trained as potential trainers actually carried out trainings;
- (iii) Distribution of the toolkits was delayed in a large number of cases;
- (iv) Closer links with MSSEs in the target region as potential employers of beneficiaries could have complemented the theoretical courses with practical elements and contributed to a more needs-relevant content of the courses.

The effectiveness of creating sustainable PA/Gs remains to be analysed. The SWOT analysis conducted together with PA/Gs members appears to lead to the conclusion that the weaknesses and threats outweigh their strengths and opportunities. The evaluation team is of the opinion that the success of this organizational model has been mixed so far.

Impact and sustainability

At this point of time it is not possible to quantify the impact of 'Cottage I' in terms of income generated. Conversely, since the majority of beneficiaries have been unemployed before the project, it can be safely stated that a significant positive impact on income has been achieved. Sustainability of achievements and impact are, however not yet secured.

A number of elements in favour of sustainability are already in place:

- (i) The project philosophy to cooperate with existing training centres and to rehabilitate their training facilities ensures the continuous presence of a functioning training infrastructure;
- (ii) The trainers trained by the project continue to be available. However, a proper budget for operation and maintenance will be vital for the continuous functioning of the VTCs;
- (iii) The training material is available and can be reproduced;
- (iv) The project enjoys considerable visibility and has been widely recognized as a success.

Several potential threats to sustainability need to be overcome:

- (i) Payment of "transport fees" for trainees as applied by the project may jeopardize sustainability.
- (ii) There is no confirmation yet that adequate budgets have been set aside for the VTCs to continue the cottage industry training and mentoring as foreseen.
- (iii) The donation of basic toolkits to individual beneficiaries and to PA/Gs as start up capital is appropriate in an emergency intervention during a transition from conflict to post-conflict environment. However, in the long run, such an approach would not be sustainable.
- (iv) Potential competition from large scale industries for some cottage industry products and uncertain market perspectives may also affect the sustainability of project beneficiaries' micro enterprises development

The sustainability of impact of the project on the development of a vigorous cottage industry depends on the GOI capacity to provide an enabling policy environment including incentives for the private sector to establish competitive financial, technical, marketing and business management services which support the emerging cottage industry sector in Iraq. In the absence of these essential services, the sustainability of the cottage industry sector is not ensured. The large budgetary allocation recently made by the GOI to set up financial schemes for loan provision at subsidized interest rates is an important step to put in place the above essentials, but implementation has yet to be seen.

Consolidation of 'Cottage I' achievements and replication in other regions

Consolidating the achievements of 'Cottage I' depends entirely and critically on including the three VTCs, the beneficiaries and all other stakeholders in Thi-Qar into the emerging cluster of cottage industry projects in Iraq. Recommendations spelled out below for the replication of 'Cottage I' in other provinces must also be applied to 'Cottage I' as far as applicable.

Major negative repercussions on the ongoing and forthcoming projects in other provinces would be unavoidable should the project achievements of 'Cottage I' turn out not to be sustainable. Including 'Cottage I' into the cluster will require a joint effort of UNIDO, FAO and the Government.

It will be decisive for the success of the entire cluster that the three parties will be able to convince donors that the emergence of the cottage industry cluster offers excellent synergy opportunities that can only be reaped by a concerted effort of all parties including the participating donors. Most importantly, donors need to be convinced that the current short-term financial horizon for emergency projects is counterproductive for achieving sustainable development results.

Recommendations

Completion of 'Cottage I'

UNIDO and FAO to

- ✓ Overcome monitoring and reporting weaknesses and fully document the civil works, equipment installed, staffing and management, training curricula, profiles and activities of trainers and assessments on their performance, ToT providers, trainees/beneficiaries, training modules, material, course forms, certificates, and toolkit distribution.
- ✓ Prepare a completion report including an assessment of the mentoring and coaching of beneficiaries that started rather late.
- ✓ Include support to 'Cottage I' into the emerging cluster of projects.

The Government of Iraq to

- ✓ Ensure that the MOLSA and MOA budgets include as of 2008 sufficient financial resources for cottage industry training courses and mentoring at the three VTCs that were involved in 'Cottage I'.
- ✓ Strengthen the management and mentoring capacity of the VTCs and their annual budget to adopt the training curricula; continue training and mentoring activities including the identification of potential employers for the trainees, and conduct of marketing and feasibility studies for facilitating cottage industries linkages to markets. The ongoing Cottage Industry II, III and IV projects could provide assistance to implement these activities

National Programme for Cottage Industries

In line with the sustainability issues presented above, a transition from a 'short-term project mode' of operations and grant financing to a 'post-project mode' and financing from commercial loans, would be for the Government of Iraq to engage in a long-term National Programme for Cottage Industries (NPCI) that should be initiated in 2008.

The Government of Iraq, in cooperation with UNIDO, FAO and donors to

- ✓ Consider launching a NPCI that should include: (i) a component for consolidating the achievements of 'Cottage I' and (ii) Cottage Industries II, III and IV that would be implemented by the respective governorates, but integrated through the adoption of a unified implementation arrangement and a harmonized approach. The rationale and concept of the NPCI are detailed in chapter VII of the report.
- ✓ Establish a high level National Cottage Industry Policy Committee (NCIPC) to oversee the design, adoption, implementation and monitoring of the NPCI and the necessary policy and institutional changes. The NCIPC should also include ministries in charge of private sector development and business associations.
- ✓ Include a component for the consolidation of Cottage I into the NPCI to support the three VTCs to: (i) train additional trainers and managers for the VTCs; (ii) diversify the training modules and extend their lengths as necessary; (iii) expand the expected outreach of the VTCs through the training of additional 1000 beneficiaries per year in Thi-Qar governorate; and (iv) ensure close mentoring by the VTCs of individual beneficiaries and PA/Gs in the key areas of entrepreneurial management and market development.

Replication of 'Cottage I' in other regions

The Government of Iraq¹ to

- ✓ Formally include cottage industry training and coaching in the mission of VTCs and make available the necessary budget covering operational and maintenance costs
- ✓ Make coaching/mentoring of former trainees and junior trainers part of the job description of VTC trainers and develop related programmes and procedures
- ✓ Monitor and evaluate the results achieved by VTCs in cottage industry development
- ✓ Ensure replication in other projects of the successful selection-of-beneficiaries approach followed in Cottage I
- ✓ Study experiences made with PA/Gs and do not accelerate the creation of new PA/Gs until sustainability of the existing ones is proven
- ✓ Promote the active participation of the private sector in cottage industry development

UNIDO and FAO to transfer the following lessons from cottage industry I to cottage industry II and III²

- ✓ Initiate immediately an outcome-oriented monitoring and evaluation (M&E) system based on experiences and arrangements in Cottage I, covering all ongoing and completed cottage industry projects; and establish a Web-based management information system (MIS) to provide planners and managers (including the

¹ All measures should be started immediately

² The following activities should all start as soon as possible

envisaged NCIPC) with the necessary data and information generated and required for steering and managing the cottage industry projects in Iraq.

- ✓ Organize periodic 'management retreats' for brainstorming and discussion on strategic issues, major M&E findings, collaboration and result-orientation of cottage industry projects; include external experts from time to time once an issue has been identified (e.g. bring in expertise from the UNIDO private sector development branch to discuss means for involving private business); watch the trade-off of emergency interventions versus longer-term development interventions;
- ✓ Conduct independent evaluations/assessments of the entire cottage industry cluster on an annual or bi-annual basis;
- ✓ Support surveys of private sector businesses and enterprises, and involve individual enterprises as partners to establish training needs, provide trainers, on-the-job training and to increase their job creation capacity (employment compacts);
- ✓ Identify and collaborate with an umbrella organization (e.g. NGO or an emerging chamber of industry) which could serve as an interlocutor and represent the interests of MSSEs and people engaged in cottage industry activities in the long run;
- ✓ Make sure that all trainings are based on a thorough training needs analysis including market demand and offer the proper mix of technical and entrepreneurship training to different target groups; review the balance between the theoretical and practical content of the training modules and extend their duration in order for each beneficiary to actually practice the vocation;
- ✓ Select, in close consultation with the GOI, those TOT candidates who are most up to the task at hand and committed to a training career;
- ✓ Make sure that the donation of toolkits as a start-up capital is combined with access to credit institutions for loan financing of business plans;
- ✓ Do not create new PA/Gs until their viability is demonstrated;
- ✓ Strengthen the management capacity of VTCs;
- ✓ Support GOI with shaping and adopting an improved regulatory and support framework for sustainable micro-enterprises development .

UNIDO and FAO to consider the following lessons of wider applicability

For project design, planning and reporting:

- ✓ Apply appropriate internal appraisal process to ensure the quality of project documents and of project design, in particular a straight intervention logic to facilitate result-oriented monitoring and management;
- ✓ Pay more attention to the proper scheduling of so called 'critical' activities, i.e. activities which cause delays of other vital project activities that cannot be started unless the critical one is completed;
- ✓ Document and justify deviations from planned project components/key activities, targets and implementation strategy during implementation, for instance in inception reports and PSC meeting minutes

For joint projects:

- ✓ Efficiency of joint project implementation depends on overcoming different cost accounting systems and on taking advantage of complementary technical

competence, joint use of field offices belonging to one of the two agencies, use of one CTA responsible to both agencies and applying the comparatively more flexible regulations in recruitment and input purchasing.

For emergency projects:

- ✓ Study and document the trade-off between the different requirements of emergency and development projects;
- ✓ At donor meetings, highlight implications of rigid donor rules, such as project duration for a successful implementation of interventions.

For project evaluations

- ✓ Ensure proper budgeting of evaluations during project preparation by including estimated costs in projects' budgets
- ✓ Take note that joint evaluations are feasible and strengthen the collaboration and exchange of information between the responsible organizational entities of different agencies; at the same time they require more coordination of organizers and evaluators alike.
- ✓ Take into account that remote-controlled evaluations (in situations where evaluation team leaders are not allowed to enter the country) require an independent competent and committed national survey team that works closely together with the international team leaders from conceptualizing the exercise until its completion.

UNDG-ITF and donors to consider the following lessons:

- ✓ Watch quality technical design at preparation stage and quality assurance and review of project documents prior to approval for financing ;
- ✓ Allow for longer durations of emergency projects to ensure sustainable results;
- ✓ Insist on built-in outcome-oriented monitoring and evaluation systems to ensure quality progress reporting based on realistic work plans, and the intervention logic including indicators of the logframe.

II. Introduction

2.1 Reasons, timing and members of the evaluation

1. An independent evaluation has been carried out on the Promotion of Cottage Industries in Rural and Urban Areas Project, sometimes referred to as Cottage I, in late 2007. The **reasons to launch an evaluation** of this project are manifold: The project's approach is replicated in several areas in Iraq and the Government of Iraq (GOI), UNIDO and FAO want to draw lessons from this project for the cottage industry projects which have just started or are in the process of being formulated. Secondly, the effects on the beneficiaries have not been studied so far, and no systematic evidence has been collected that objectives have been achieved and impact on beneficiaries is realized. Thirdly a number of issues were identified which needed investigation³.

2. The evaluation has taken place towards the end of the three year implementation phase. The exercise started in June and ended in early November 2007. The reason for the long duration is the methodology that had to be followed as explained below.

3. The **evaluation** was conducted by an independent **team** consisting of two international evaluators (authors of this report), one representing UNIDO the other representing FAO. In addition it had three Iraqi national members, one of them was nominated by the GOI, and the other two were consultants recruited through UNIDO in consultation with FAO.

2.2 Evaluation approach

4. The **work** was carried out **at the places** of residence of the two international consultants, in Rome (briefing) and Vienna (debriefing), and in the Project Office in Amman (two separate visits, one in June 2007 and the other in September 2007, to meet the project management team and attend a Steering Committee Meeting). The field survey interviews in Thi-Qar Governorate took place at vocational training centers (VTCs) in Nassriya, at associations' production sites, at workshops where beneficiaries found employment, at beneficiaries' homes and in their businesses. No visits were made to ministries in Iraq or other UN agencies.

5. Many **documents** were **consulted** which have been attached as an Annex III in this report. The more important ones include: a report on a rural household survey in Iraq conducted by FAO at the end of 2003, the project document, the inter-agency agreement, the work plan of February 2005, the needs assessment study, the semi-annual progress reports, the minutes of project steering committee meetings, the end-of-assignment report by the first Chief Technical Advisor (CTA) and the self-evaluation report by the UNIDO Project Manager (PM).

6. A range of **stakeholders** were **met** such as the PM, the CTA, the National Project Coordinator (NPC), the Italian Government representative in the PSC, the Task Manager of Cluster 5, representatives of the three Iraqi ministries in the PSC, namely the Ministry of Planning and Development Cooperation (MPDC), the Ministry of Labor and Social Affairs (MOLSA) and the Ministry of Agriculture MOA), technical and operations officers in FAO,

³ For instance, evaluator's TOR call for an *assessment of the cooperation between FAO and UNIDO in implementing the project*; and during an internal brainstorming process issues were discussed like the *length of the project in general and the courses in particular, the risk of beneficiaries selling toolkits received under the project, the mixed results achieved regarding formation of production groups or 'associations'*, etc.

international consultants, project staff in the Amman Office, directors of VTCs, trainers, officials of City Councils in Thi-Qar Governorate, about 100 individual beneficiaries and cottage industry associations.

7. **Stakeholders** who were **not consulted** directly comprise people who have received ToT under the Project but are not based in training centres; workshop owners who employ people trained under the Project; clients of people who opened small businesses after training; spouses or other household members of ultimate beneficiaries; potential representatives/ stakeholders of people involved in cottage industry, such as chamber of commerce and industry; constructors of training centers, consultants of the Need Assessment of the Cottage Industry Sector in Thi Qar Governorate (sometimes called needs assessment study in this report)

8. Evaluators had free **access to data** and information. In addition to many documents the evaluators got copies of back-to-office reports prepared by operational and technical officers; training manuals; reports by organizers of training-of-trainers (ToT) programmes; project summary tables on training courses conducted, trainers trained, equipment provided to beneficiaries; and the beneficiary database prepared by the NPC. Data on the use of project outputs and impact on beneficiaries were not collected by the project.

9. The **security situation** in Iraq has not allowed (i) international evaluation consultants to visit project sites and talk directly to beneficiaries, (ii) Iraqi evaluators to move freely to project sites and beneficiaries' places of residence and worksites, (iii) international evaluation consultants to interact directly during the field work with Iraqi evaluators. The field surveys methodologies and related questionnaires (see Annex 4) have been designed by the two international evaluation consultants in collaboration with the Iraqi evaluators. The latter then were able to conduct these surveys which involved visiting beneficiaries in their places of residence which includes an ex-post assessment on the methodology by the authors of this report).

10. Many, if not all types of **stakeholders**⁴ have been contacted and interviewed to bring to light different project constraints and effects from a variety of **perspectives**. International evaluators did not have a chance to talk to beneficiaries directly. Some target group members were invited to travel to Amman during the June Project Steering Committee (PSC) meeting, but they were not granted entry to Jordan at the airport in Amman.

11. To follow a common approach more formalized means of **data collection instruments** in the form of questionnaires were designed than normally. In addition semi-structured interviews, checklists (e.g. toolkits), rating scales and photographs were used. Issues were debated by correspondence among evaluators (e.g. validity issue). Quantitative and qualitative information has been collected on the

- With- and without-project situation; use of control group(s)
- Before- and after-project situation
- Quality and relevance of outputs as assessed by beneficiaries
- Achievement of immediate objectives (outcomes realized)
- Impact assessment
- Identification of side-effects/spin-offs (e.g. technical training provided by members of an association who were trained under the project)

12. The following surveys have been prepared and conducted:

- Vocational Training Centers Survey (VTC Survey)

⁴ Including individual beneficiaries, production associations/groups (PA/Gs), trainers, directors of vocational training centers (VTCs), city councils, representatives of three Iraqi ministries, the representative of the Italian Government as donor, project managers, operation and technical backstopping officers and consultants in Amman, Rome, Vienna and in Thi-Qar Governorate.

- Trainers Survey (sometimes referred to as ToT Survey)
- Individual Beneficiaries Survey (IBS)
- Business Associations Survey (BAS)⁵
- Telephone Survey on Employment

The document '*Strategy for Field Surveys and Questionnaires*' is attached to this report; the questionnaires are in the UNIDO and FAO project files. The national evaluators functioned as the survey team. They processed the data on Excel and prepared a '*Draft Field Survey Report*' which was discussed during the second evaluation team meeting in Amman in September 2007.

13. The **emphasis of this evaluation** is on the assessment of project outcomes, i.e. the achievement of immediate objectives or the use that is made of project outputs. The **report contains** the main text and annexes. People who are interested in the evaluation but do not find the time to read the whole report should go straight to the last three chapters or just read the executive summary.

14. The draft of this **report** has been **sent** to UNIDO and FAO HQs on 30 October 2007. It was discussed in Vienna on 2 November 2007 following a PowerPoint presentation by the authors and has subsequently been revised taking into account the corrections and comments received until 9 November 2007. The final version of the report was submitted to UNIDO and FAO HQs in December 2007.

2.3 Fact sheet of the project

15. In the following a project summary is provided in the form of a 'fact sheet' which reflects the planning status:

Framework: UN Strategy for Assistance to Iraq, coordinated by the United Nations Assistance Mission to Iraq. This assistance is provided through "clusters" a new way for the UN family to work together which facilitates collaborative joint programming. Within this framework, FAO has been designated lead UN agency for the Agriculture, Food Security, Environment and Natural Resource Management Cluster A (in partnership with UNESCO, UNIDO, UNDP, WFP, UNEP, and UNOPS). The Project belongs to Cluster no. 5 'Agriculture, Water Resources and Environment'

The UNDG⁶ ITF⁷ approved project budget is US \$5 million.

Execution: Jointly executed by UNIDO and FAO.

FAO is responsible for the implementation of the agriculture-based cottage industries and UNIDO for implementing the non-food cottage industry component.

A Letter of Agreement between UNDP, as the Administrative Agent under the Memorandum of Understanding between the participating UN Organizations, and the General Directorate for Development Cooperation of the Ministry of Foreign Affairs of Italy in June confirms *UNIDO as the Lead Technical Agency* and *FAO as the Collaborating Agency*. The UNIDO *Project Manager* represents both agencies vis-à-vis the Government of Iraq and the UNDG

⁵ referred to later as Production Associations Group Surveys(PA/Gs)

⁶ The UNDG is an instrument for UN reform, created by the Secretary General in 1997, to improve the effectiveness of United Nations development at the country level. The UNDG brings together the operational UN agencies working on development. The Group is chaired by the Administrator of the United Nations Development Programme (UNDP) on behalf of the Secretary General.

⁷ The UNDG Iraq Trust Fund, which was set up as part of the WB/UN International Reconstruction Fund Facility for Iraq (IRFFI) at the request of donors, provides funding to the whole range of activities foreseen in the UN Assistance Strategy for Iraq. The majority of pledges have been deposited and allocated to projects which are now under implementation or in preparation. The June 2007 edition of the UNDG Iraq Trust Fund Newsletter mentions that the implementing UN agencies have legally committed \$765 million (74%) and disbursed \$648 million (63%) of total approved projects amounting to \$1,031 million.

Iraq Trust Fund. In November 2004, UNIDO formally accepted services to be provided by FAO under the project.

Project Location: Nine districts in four Governorates of the Lower South of Iraq: Thi Qar, Missan, Muthanna and Basra.

Duration foreseen: 2 years

Two goals have been mentioned in the first section of the project document (table on pages two and three):

- Poverty alleviation in vulnerable households located in the district of Nassriya, and other selected districts of the Lower South of Iraq
- Create jobs and increase the income level of the households in the targeted communities through the promotion of appropriate cottage industry activities

And four key immediate objectives:

- Introduce vulnerable households to appropriate and sustainable small scale income generating activities
- Upgrade the skills base of existing households currently undertaking cottage activities in the project areas
- Establish cottage activity associations
- Establish cottage industry facility centers to act as project focal points

Further, three outputs have been listed in the first section of the project document:

- The establishment of profitable small scale and sustainable cottage activities ranging from food processing through to metal working, woodworking, textiles, weaving, leather work and masonry
- The establishment of cottage industry associations within each targeted community to represent those cottage activities supported by the project
- The establishment of a cottage industry facilities center within each of the targeted communities to provide technical, management and marketing advice to households

Important activities not directly reflected in the objectives and outputs mentioned above include:

- Development of training material
- Training of trainers (ToT) outside Iraq
- Designing and fabricating locally, appropriate tools and equipment
- Distribution of equipment and tools to target groups
- Providing mentoring support to target groups

Target groups:

- Vulnerable groups, especially women and children
- Approximately 6000 individual vulnerable households (income below JD 1,700,000 per year) comprising ca. 42,000 people; this means 13% of the total number of vulnerable households identified in the four Governorates of the Lower South)
- Women-headed households, the disabled and women in general (especially those who have no access to agricultural land but can become involved in micro food processing
- Refugees, returnees and internally displaced persons (IDPs)
- Communities in both rural and urban areas (capacity level raising through cottage activity associations and cottage industry facility centers)

Donor: UNDG-ITF (earmarked funding to UNIDO by the Government of Italy)

Counterparts: The Project Document envisages two line ministries to be heavily involved in the steering and implementation of the Project, i.e. the Ministry of Agriculture and the Ministry of Displacement and Migration.

Management: Because of the limited international access, implementation and supervision of the Project was planned to be managed from offices in Amman or Kuwait.

All Project activities were expected to be conducted in partnership with selected NGOs active in the Project area.

Timing: Signed by UNIDO in July 2004; this was also the expected time of starting the project

Cost: US\$ 5,013,000.00

III. Country and project context

3.1 Country context

16. The project for the Promotion of Cottage Industries in Rural and Urban Areas is developed and implemented in an Iraqi context characterized by over 2 decades of wars, sanctions, isolation, and political and sectarian violence that led to social disruption, general economic distress, dramatic deterioration of infrastructure, institutions, security conditions, quality of life, human development prospects and opportunities for the development of sustainable livelihoods. It is estimated⁸ for 2003 that over 40% of the Iraqi population is unemployed and 50% food insecure

17. In this context, the project is considered as the first intervention (referred to as Cottage Industry I) in a cluster of projects for a total amount of about USD 25.0 million Iraq aiming at restoring the livelihoods of vulnerable households. This objective would be achieved through the improvement of their technical and business management skills and access to support services to establish individual or group based income generating cottage industries micro enterprises and to increase their chances in finding employment opportunities.

3.2 Project history and description

18. Following a request by the transitional Government of Iraq (GOI) and on the basis of the findings of a socio-economic survey conducted by FAO in 2003 in southern and central Iraq, two project proposals were prepared. The first by FAO for the promotion of food related cottage industries and the second by UNIDO for the development of cottage industry for the re-integration of internally displaced persons (IDPs) and returnees.

19. Subsequently in 2004, FAO and UNIDO prepared jointly a consolidated project proposal entitled "Promotion of Cottage Industries in Rural and Urban Areas in the 4 Governorates of the Lower South of IRAQ: Thi-Qar, Missan, Muthanna and Basra, where 54% to 94% of the households is below the vulnerability threshold of an annual income level equal to or less than 1,700,000 ID (equivalent to US\$970 at the prevailing exchange rate). The majority of these vulnerable groups are of rural origin and totally reliant upon generating an income from employment or from home-based micro enterprises.

20. The consolidated project proposal was reviewed and endorsed by the Iraqi Government and the UNDG Iraq Trust Fund (UNDG-ITF) Steering Committee. On 6th June 2004, an agreement was reached between UNDP and the Italian Government to finance the project from UNDG-ITF using the Italian earmarked contribution to UNIDO under Cluster A (agriculture, food security, environment, and natural resource management) of the UNDG-ITF.

21. For a total cost of US\$ 5,013,000, the project is designed to comply with the UNDG ITF required 24 months implementation period for an emergency intervention. The projected activities include : a need assessment survey of the cottage industry sector, training of trainers in entrepreneurship development and technologies; rehabilitation/construction and equipment of vocational training centers; development of training material; selection and training of about 6000 beneficiaries; distribution of start up toolkits; establishment of food and non food cottage industries micro enterprises by individual beneficiaries and Production Associations/Groups(PA/Gs); creation of Cottage Industries Community Centers (CICC)s; and provision of mentoring support to individual beneficiaries and PA/Gs.

⁸ Project document

22. Project implementation is entrusted to UNIDO and FAO through an inter-agency agreement concluded on 17th December 2004. UNIDO has a comparative advantage in non-food based cottage industries as the lead executing agency and FAO having a comparative advantage in food based cottage industries as the key collaborating agency. Partners within the Government of Iraq (GOI) include three line ministries namely the Ministry of Labor and Social Affairs (MOLSA), the Ministry of Agriculture (MOA), the Ministry of Planning and Development Cooperation (MOPDC) and Thi-Qar Governorate.

23. The security situation (UN Security Phase 4 and above) in the project area does not allow international staff to travel. The project is managed from the FAO/Iraq office in Amman where the UNIDO/FAO Chief Technical Advisor (CTA) for the project is based and from Nassiriya through a National Project Coordinator (NPC). At UNIDO headquarter a senior industrial development officer from the Agro-Industries and Sectoral Support Branch is assigned to supervise and coordinate the overall project implementation and report to the PSC on progress made. At FAO, an operation officer from the Special Emergency Programmes Services and a Senior Officer from the Post-Harvest Group are assigned to oversee and provide technical backstopping the implementation of the food cottage industry component of the project.

24. It is also expected that the project complements, benefits from and links closely to the on-going regular activities of the above line ministries. MOLSA is currently involved in employment generation activities in cities and its VTC in Nassiriya is entrusted with the responsibility to provide training activities related to the non-food cottage industries component of the project. MOA has a rural development programme through its extension and outreach services and its facilities for the post harvest rural employment generation activities are entrusted to provide the training for the food-processing component of the project. MOPDC oversees the targeting of vulnerable groups in rural and urban areas and plays a lead coordination role between the various implementation partners.

25. The governorate of Thi-Qar through its district and sub-district City Councils (CI) that are well acquainted with the poverty conditions of the population has a major responsibility in ensuring that the selection mechanism of beneficiaries and the targeting criteria are focusing on the most vulnerable groups. The overall oversight, governance, and coordination roles are entrusted to a Project Steering Committee (PSC) with semi-annual meetings and membership from the above three line ministries, the Governorate of Thi-Qar, UNIDO and FAO.

26. In terms of collaboration with other development cooperation programmes in Iraq, the project document envisaged a potential for synergies and complementarities with other UN organizations' ongoing initiatives in Iraq and particularly those financed through the UNDG-ITF under Cluster A.

3.3 Project implementation challenges

27. From the outset, the implementation of the project faced the following challenges and difficulties:

- ✓ Instable security conditions that do not allow international staff to travel in the project area
- ✓ Difficult communication between Amman and Baghdad and Baghdad and the project sites resulting in delays in sending information to the field and receiving feedback
- ✓ Severe cuts of electricity in the project area , shortage and rising prices of fuel

- ✓ Lack of effective financial institutions to extend loans and private sector support services to provide technical, managerial and marketing support for cottage industries micro-enterprises
- ✓ A small size project with a wide geographic coverage of 4 Governorates, overly ambitious in terms of number of beneficiaries to be reached, a weak project document which does not clearly define the type of cottage industries to be promoted and a short implementation period of 24 months.

28. The severity of the above constraints prompted three major adjustments in the project at its very early stage of implementation to make it more realistic, credible and a forerunner pilot initiative. The first adjustment addressed the project geographic coverage, the second the project scope, and the third the implementation period. The timing of these adjustments and their extent were:

- ✓ The first two adjustments were introduced during the first quarter of 2005 before the start of the needs assessment survey. As a result, the project geographic coverage was reduced to the Governorate of Thi-Qar and the project scope to a more manageable target of 1500 beneficiaries to be selected from all 5 districts⁹.
- ✓ The third adjustment is introduced during the third quarter of 2006 to extend by one year the project implementation period with 31 December 2007 as the new closing date making the project a 3 year and 2 month undertaking.

⁹ The governorate covers an area of 1 290 000 ha including marshland, has a total population of 1 567 000 inhabitants of which 41 % is rural and suffers from an unemployment rate of 43%.

IV. Project Planning

4.1 Project identification

29. In February 2002, a senior FAO officer of the Agro-Industries and Post-Harvest Management Service (AGSI) of FAO, deeply involved in the rehabilitation of the agro-industry in the three northern Governorates of Iraq which is part of the Oil-for-Food Programme, mentioned in his Back-to-Office Report¹⁰ that – judging from the different requests received from the Agro-industry Commission (AICOM) – cottage industries represent a new component of agro-industry. He concludes that there is a need to develop and promote agro-industry at the cottage level as a source of income and employment. Refugees in HABITAT settlement schemes are already mentioned as one possible target group. The TOR for a consultant in cottage industry development attached to the BTO report already include a list of proposed cottage-scale agro-industry projects to be financed from locally generated funds. Contacts exist between FAO and UNIDO personnel on cottage industries issues in Iraq at that time¹¹.

30. Subsequently specific assessments of cottage industry activities have been made jointly by the Ministry of Agriculture and FAO during 2003 and the project document is based on an earlier project outline prepared by FAO entitled ‘Support to promotion of food related cottage industries’, and a project brief prepared by UNIDO entitled ‘Development of cottage industries for the reintegration of IDPs and returnees’. There is obviously an intensive involvement of ministerial staff and different types of Iraqi engineers in the design of cottage industry projects at that time.

4.2 Project formulation

31. The project was formulated based on a request from the MPDC, fact finding activities of FAO and UNIDO, cross-border meetings, and discussions among Cluster 5 members. Constraints imposed by the UNDG-ITF were that the duration could not exceed 2 years and that the assistance would have an emergency character. The only stakeholder who was not involved in the planning at this stage is the MOLSA which was later associated to the project. As the detailed process of project formulation is somehow difficult to reconstruct, no judgment for instance on an adequate involvement of all stakeholders has been attempted here. By contrast, an assessment of the quality of the project document is presented below.

32. The copy of the ‘Participating UN Organization/Cluster Programme/Project Proposal’ received by the evaluators is signed only by UNIDO’s Managing Director of the Programme Development and Technical Cooperation Division in July 2004¹². The project title reads ‘The promotion of cottage industry in rural and urban areas’. The proposal is summarized on the cover page as ‘addressing food security and poverty alleviation by increasing household incomes of vulnerable groups through introducing them, particularly women and women headed households, to small-scale income-generating cottage activities’.

33. Section One includes major information provided in table form on pages two and three. In addition to what has been mentioned already in the project summary above, this includes the participating UN Organizations (next to UNIDO and FAO: UNEP, UNHCR, HABITAT and

¹⁰ BTO Report (OSRO/IRQ/607/DHA) by Francois Mazaud; 18 February 2002.

¹¹ Meetings took place e.g. between Francois Mazaud and Dejene Tezera, the first CTA of Cottage I project in 2001

¹² The evaluators have been informed that the Iraqi Strategic Review Board (ISRB) approved the project. This is the Government’s body that has to approve all projects supported from external donors. The UNDG-ITF Steering Committee’s approval of the project was given in August 2004.

IOM), names and addresses of the Project Manager at UNIDO HQs and the Cluster 5 Task Manager of the UNDG ITF¹³, and a list of 15 key activities. Section Two presents the project's Logical Framework Matrix (logframe). This displays objectives, outputs and activities in column one, and indicators, means of verification and assumptions in columns two to four. Section Three, 'project justification', comprises background and project approach. Section Four, 'management arrangements' emphasizes overall responsibilities of UNIDO and FAO, highlights the involvement of the two ministries mentioned in the project summary, underlines the prominent roles of the Operations Officer and the Task Manager in Amman, and includes a time table of project activities. Section Five, 'analysis of risks and assumptions', consists of two paragraphs related to the security situation and the interest of vulnerable households to participate in the project. Section Six, 'progress reports', promises the establishment of a simple internal monitoring system by the National Project Coordinator (NPC), an inception and terminal report, brief monthly progress reports, quarterly technical reports as well as review and evaluation reports. Additional sections show the 'budget cost summary' and the 'project budget'.

34. The basic structure of the project (objectives, outputs, activities) is displayed in Section One and again in Section Two of the project document. Unfortunately the presentations lack consistency not only in terminology. The higher-level objectives differ from section to section. *Food security* is not mentioned in the two development goals of Section One, whereas it is in the development objectives of Section Two¹⁴. This is true also for the specification of the *project's target group*. There are four immediate objectives in the first section, but only two in the second section¹⁵. All (key) immediate objectives are not only formulated as activities, they also substance-wise express what the project will be doing instead of saying what it is aiming at. There are three expected project outputs¹⁶. These are phrased as activities but could probably be called outputs substance-wise. They only differ in the way they are formulated in the two sections. The project's (key) activities (15, respectively 16 activities) have been listed three times, namely in the two afore mentioned sections and, as short versions, in the work plan displayed in Section Four. The most elaborated version is the first one, although the activity box of the logframe and the work plan include also activities not mentioned there¹⁷.

4.3 Description of the underlying intervention theory

35. Looking at the intervention logic, one can display the hierarchy of project elements described in the project document as follows:

¹³ Msrs Chakib Jenane and Lakis Papastavrou

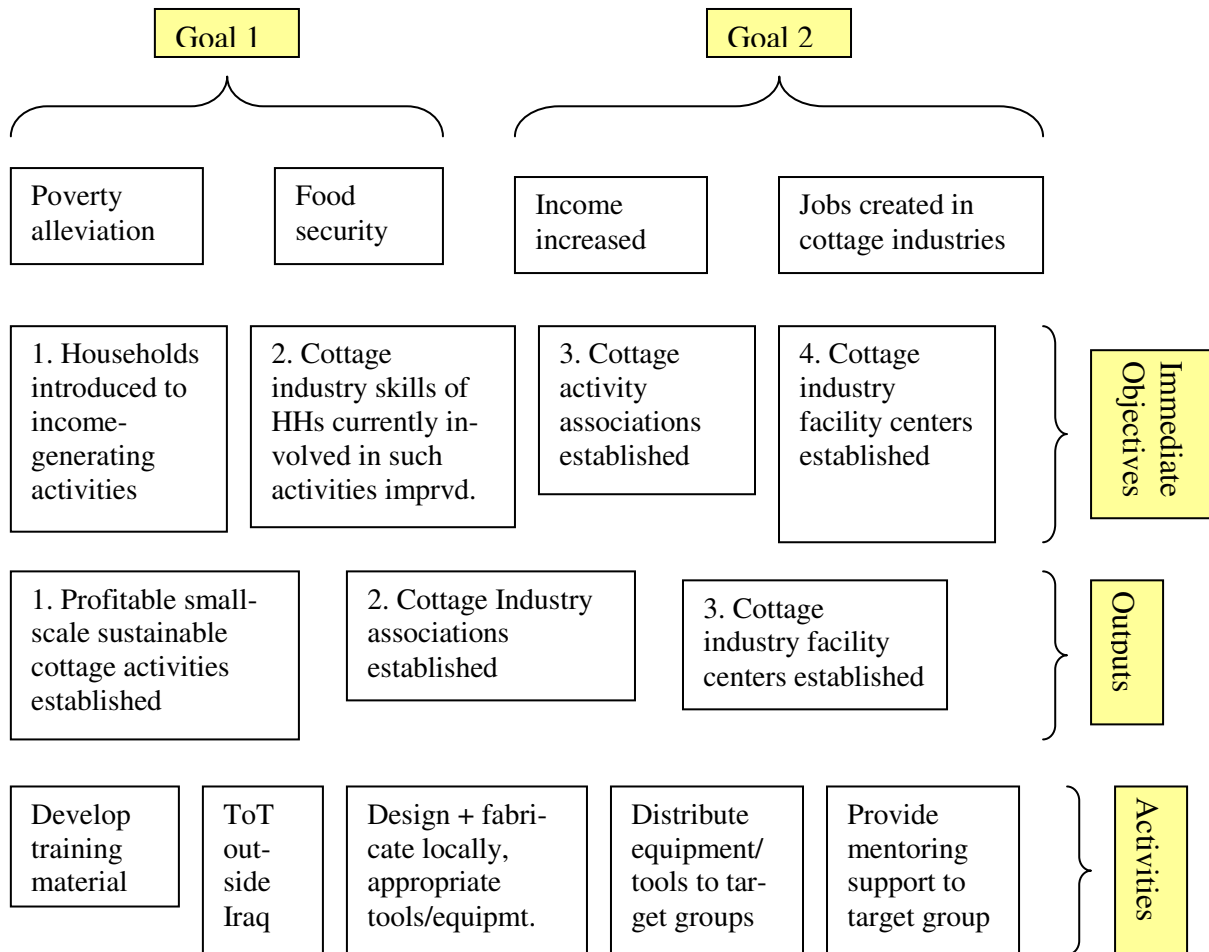
¹⁴ The other three goals refer to poverty alleviation, jobs and increased income.

¹⁵ *Vulnerable households introduced to appropriate and sustainable small-scale income-generating activities, upgraded skills of existing households undertaking cottage activities, cottage activity associations established, cottage industry facility centers established.* The last two have not been mentioned in Section Two.

¹⁶ In short: *Profitable small-scale cottage activities established, cottage industry associations formed, and cottage industry facility centers within each of the targeted communities*

¹⁷ I.e. (in the logframe:) *development of monitoring tools/indicators with the participation of the beneficiaries;* (in the work plan) *training workshops for trainers*

Diagram 1: Hierarchy of project elements in the project document

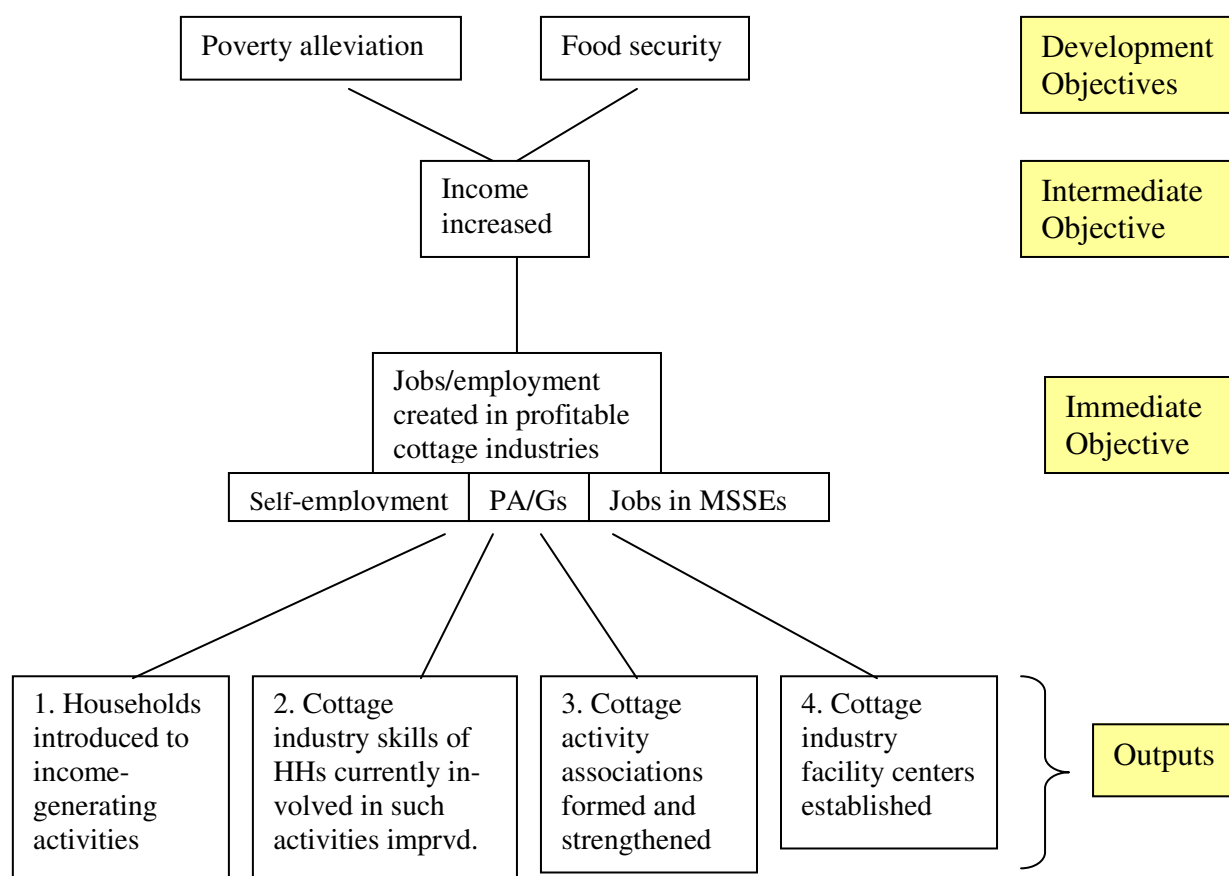


36. It is widely acknowledged that there should be means-ends relationships between these project elements. Such relationships are not always obvious however in the project document. Goal 2 elements can be seen to be related to Goal 1 elements. The former, i.e. poverty alleviation and food security are likely believed to be reached through *increased income* and *jobs in cottage industry*. There is a means-ends relationship also between *increased income* and *jobs in cottage industry*. The former stems from the latter.

37. The immediate objective statements above can be seen as necessary means to attain Goal 2. Yet, a logical relationship between these and the outputs below is difficult to recognize. Output one seems to be the result of most immediate objectives while it should rather be the other way around, i.e. the immediate objective should be the expected consequence of the output. A means-ends relationship can also not be seen between output two and three and any of the immediate objectives above. The second output seems to be identical with immediate objective three, and output three is the same as immediate objective four. The activities listed here appear to have tangible results such as *training material* and *trainers' capabilities upgraded* which at best are only indirectly reflected in the outputs above.

38. The intervention logic that planners had in mind when designing the project may have been the following:

Diagram 2: Result framework that planners probably had in mind when designing the project



39. Looking at the (non-administrative) key activities listed in the project document, one may group them into four categories:

- (i) identification of project sites, cottage industry activities and beneficiaries (3);
- (ii) capacity building (trainers, training material, training, associations, mentoring) (5);
- (iii) tools, equipment (3); and
- (iv) cottage industry (community/facilitation) centers (1)

40. The first category of activities are of preparatory nature and could also be seen as design and formulation tasks that – for practical reasons – have been pushed into the project’s implementation phase. These activities were rightly expected to take substantial time and efforts as can be seen from the work plan and budget, especially since this project was the first of its kind.

41. The capacity building activities are the backbone of the project design, especially since the category iii activities can also be seen as the ‘hardware part’ of the ‘software’ capacity building activities listed in category ii. These activities are envisaged to produce the first three outputs mentioned in the diagram 2 above.

42. Outputs above (taken from the project document) are still formulated in rather general terms. Especially the first two outputs there do not reflect that individual beneficiaries have not only been trained but also been given toolkits for their work. Starting from the key activities (categories ii and iii), the direct outputs related to capacity building activities are (a) *trainers capabilities in cottage industries upgraded*, (b) *training material produced*, (c) *beneficiaries mastering skills required for carrying out cottage industry activities*, (d)

beneficiaries equipped with toolkits distributed through the project, and (e) Cottage industry associations formed and strengthened.

43. Output 4 in the diagram above, i.e. *cottage industry facility centers* is worth to be looked at in more detail. According to the project document such a center was expected to be established in each targeted community to act as a focal point for (households) the project and provide technical, management and marketing advice to the beneficiaries (individuals and associations). Looking at the project budget, only six village centers for a total of 300,000 US\$ were planned to be constructed. There is no information in the project document on the facilities, equipment, management, ownership, recurrent cost estimates and staffing of these centers¹⁸.

44. Since basic information on the type of cottage industry activities to promote, the location of project sites and the beneficiaries to be targeted was not available during project formulation, there are also no details on the type of trainers to train, the training to be provided, the type of associations to form as well as equipment to be produced and distributed. No wonder that the project costs could not be derived systematically from what was planned to be done. Entries in budget lines appear to be made rather arbitrarily. This left a lot of planning and decision making work for the people who were steering, managing and implementing the project.

45. Section Three justifies the project convincingly, predominantly by citing alarming figures which illustrate the degree of vulnerability of large sections of the Iraqi society in the governorates of the Lower South¹⁹. It claims that cottage industry activities are one of the most effective means of generating income for vulnerable households, especially for people without access to land. FAO and UNIDO are presented as agencies with comparative advantages, the former in food processing interventions in the three Northern Governorates of Iraq, the latter in micro- and small business and technical support to artisans in e.g. textile, wood, metal and leather work worldwide. Finally, it is emphasized that the envisaged support fits in with the strategy for assistance to Iraq under the Cluster 5 mentioned earlier, and that, without the envisaged project, an increased number of households would become dependent upon food aid and would eventually be inclined to resort to civil disturbances.

46. The project approach is characterized as introducing appropriate cottage industry activities to the most disadvantaged sectors of the communities taking into account local conditions e.g. in terms of available raw material supply and marketing potential. Only activities which have been found technically and economically feasible are said to be promoted. During the start-up phase the participating households (more than 6,000) were planned to be supported via their membership in a cottage industry association (the latter is foreseen to be formed in each targeted community) which in turn will be assisted through a village/ community based cottage industry facility center.

47. Although we do not know how many villages or communities were thought to be targeted, the blanket coverage in terms of establishing associations and facility centers in each village/ community appears very ambitious, and so does the large number of expected beneficiary households. The latter obviously represent some 13% of the total number of vulnerable households identified in the above mentioned survey covering the four targeted governorates of the lower south.

48. Turning to Section Four describing the organizational framework and management arrangements of the project, FAO and UNIDO are expected to encourage additional

¹⁸ Management became defined at the beginning of project implementation. Facilities and equipment were among the project inputs that were determined after the needs assessment survey.

¹⁹ A table with results from the *FAO socio-economic survey of central south Iraq 2004* show the vulnerability incidence for the targeted districts, each showing percentages higher than the national average.

interagency cooperation with Habitat, UNHCR, IOM, UNIFEM, UNOPS, UNDP and UNICEF in relation to themes of Cluster 10 of the UN Strategy for Assistance to Iraq, i.e. Poverty Reduction and Human Resource Development.

49. We do not learn anything from the project document about the Vienna-based UNIDO *Project Manager*, such as for instance his TOR, who – as we know from the Inter-agency Letter of Agreement between UNIDO and FAO – represents both agencies vis-à-vis the Government of Iraq and the UNDG Iraq Trust Fund. The personnel assigned by FAO to the project works under the general supervision of the UNIDO Project Manager. Technical Divisions of FAO and UNIDO HQs are designated to provide technical backstopping. As usual procurement of inputs for the project is to be handled by FAO and UNIDO HQs.

50. The Cluster Five Task Manager in Amman is entrusted with the task to harmonize policy issues e.g. regarding adequate attention of authorities and agencies to employment generation, end-ownership of equipment, and complementarity with other planned projects in the area.

51. The day-to-day management arrangements foreseen at the time of project formulation were influenced by the security situation in Iraq and the limited access of international personnel to the project area. As already mentioned management of the project was foreseen from an office in Amman or Kuwait. Positions mentioned in the project document comprise an *Operations Officer*²⁰ which may be identical with the position of the international *Project Administrator* mentioned in the project budget, and a *National Project Coordinator*²¹ based in Nassiriyah, the major city of Thi Qar Governorate. In addition, the project budget provides funds for four full-time national technical staff possibly to cover for different national expertise.

52. The implementation of the project is foreseen in partnership with selected active field-based NGOs in the Lower South. The document argues the project should fall within the existing ministerial structure to ensure national ownership and sustainability. The two line ministries mentioned earlier are planned to be involved in the project among others through participating in round-table meetings and discussions organized under the project.

53. The project document does not describe a clear organizational framework and management structure. For instance, the functions of NGOs is not mentioned with which major project activities are thought to be implemented. A role for the Ministry of Planning is not foreseen although this would probably have coordinating functions in cottage industry comprising activities in which more than one line ministry is involved. Organigrams and lines of command are missing. The vague term *round-table discussions* may refer to meetings of a Steering Committee; however, membership, frequency of meetings, chairmanship, and TOR for such a committee are not spelled out. Job descriptions of key personnel are missing; day-to-day management of the project in Iraq is not discussed. Regional, governorate and district authorities are not even mentioned. Participation of representatives of target groups is not touched upon.

54. In conclusion, the project document leaves many questions unanswered. The general impression is that it was prepared in a rush as an emergency intervention and more for fund raising purposes than for providing clear perspectives and detailed guidance to project implementing partners. Shortcomings have been explained, among others, with the ITF project format and the guideline given that project documents should not exceed 20 pages. The evaluators believe these are not convincing arguments. The section titles could easily have accommodated the missing parts; and since the document has a length of only 12

²⁰ to prepare quarterly reports and coordinate cross border support from the office in Amman or Kuwait

²¹ responsible for the development and implementation of the project monitoring system and the preparation of monthly progress reports as well as the Inception and Completion Reports

pages (including logframe, work plan and budget) and is full of redundancies there would have been sufficient space. For instance, the same list of 16 project key activities is displayed three times; goals, immediate objectives and outputs are also stated several times, although inconsistently.

55. Vagueness of the project document is often preferred by project management since it gives opportunities to interpret the plan, to choose the option that one prefers, and to adapt easily to changing situations. The project manager of this project has obviously valued this flexibility that the general statements of the project document allow, and added the advantage that stakeholders in this way had a greater chance to participate actively in the implementation through the PSC. The evaluators hold the view that a clear and logic design reflected in the project document is necessary for various reasons, and would like to emphasize that the inception report normally prepared as one of the first steps in implementation provides the opportunity for project management to make the changes it deems necessary.

V. Project implementation

5.1 Financial implementation

56. As of 30 September 2007, after thirty three months of project implementation, cumulative expenditures reached 87% of total project cost with 47% in 2005 and 40% during the first half of 2006. Table 1 presents the structure of expenditures by major output, project staff and consultants, and administrative support. Over three quarters of project expenditures were for 4 items: the new construction/ renovation and equipment of the 2 VTCs plus a third temporary training location (over one third), project personnel and consultants (21%), toolkits and equipment for individual beneficiaries and business associations (19.5%).

Table 1 Project expenditures as of 30 September 2007

| <i>Outputs and other items</i> | <i>Amount (US\$)</i> | <i>%</i> |
|---|----------------------|--------------|
| Renovation & equipment of VTCs (completed) | 1,555,000 | 35.5 |
| Training of trainers (completed) | 406,969 | 09.3 |
| Training of beneficiaries (ongoing) | 304,904 | 06.7 |
| Toolkits for individual beneficiaries (ongoing) | 574,679 | 13.1 |
| Equipment for PA/Gs (ongoing) | 280,000 | 06.4 |
| Project staff and consultants (on going) | 933,301 | 21.5 |
| Administrative support (ongoing) | 328,000 | 07.5 |
| Total | 4, 382,853 | 100.0 |

5.2 Implementation management

57. The official starting date of the project was 1st November 2004. Right after the inter-agency agreement had been signed, the CTA was recruited in December 2004 for managing the project from Amman where a project office was established. Focal points were assigned for backstopping the project from Rome and Vienna (FAO and UNIDO Headquarters).. The project management team with a PM in Vienna, a CTA operating at distance from Amman and an NPC working out of Nassiriyah, performed well given the prevailing risky and tense working environment in Iraq. It adjusted adequately to the various shocks in maintaining supportive working relations with key project stakeholders.

58. An inception workshop was organized in the first half of December 2004 and the Project Steering Committee (PSC) composed of the donor representative (Italian Government), representatives of MOA, MOPDC, MOLSA, UNIDO, FAO and of Thi-Qar Governorate was established, which discussed the roles and approved the TOR for the PSC, CTA, and National Project Coordinator (NPC). It was decided that the MOPDC as the line ministry would coordinate the activities of the focal points of the counterpart ministries in Iraq. Preparations for conducting a baseline assessment were initiated for which an international consulting company was identified.

59. Project management prepared five comprehensive semi-annual progress reports on time. The first, submitted in 2004 for the period 1 July - 31 December 2004 includes the preparatory activities during July-October 2004. The second and the third covered the year 2005, and the fourth and fifth 2006. In addition, the project management team conducted a self evaluation exercise in June 2006 and made its report available to the evaluation team.

60. The progress reports follow the UNDG-ITF format. This requires information on project's immediate objectives/outcomes and outputs. Since the immediate objectives of the

project document are summaries of what the project will be doing rather than what it will be aiming at, and since this has not been corrected during implementation, there is little information, if any, on outcomes. Already in the first progress report the confusion is complete when the author starts to cite the outputs while claiming that he is reporting on the outcomes. Unfortunately also the self evaluation report does not rectify the misunderstanding. The section titled *Achievement of Project Outputs* is introduced by claiming that the project has made remarkable progress in achieving the expected outcomes. The wording of outputs against which is reported subsequently differ from the original ones so that they match the ones produced²².

61. The work plan prepared in February 2005 reveals the difficulties by project management to squeeze all the necessary activities into what can indeed be considered a too short project lifetime, especially since time-consuming planning activities had to be carried out during project implementation. This was recognized very early. In the work plan we read on page 6: *'The project document is somewhat vague, very openly structured and does not define any sector of intervention, thereby making it necessary to conduct a time consuming sector survey as a first project activity before anything can be defined and implemented in the field'*.

62. Although the cooperation between UNIDO and FAO was a challenge well met, the collaboration with other UN agencies except between UNIDO and FAO does not seem to have been a particularly strong aspect of the project²³ though this was foreseen at the planning stage. In fact, the related section in the self-evaluation report consists of rather general statements on coordination with other development cooperation programmes.

63. The NPC initiated the compiling of an important data base on the selection and training of project beneficiaries²⁴. It contains the profiles of over 2500 applicants with information on: name, location, and gender, marital status, qualification, source of income, production assets, areas of training requested etc...The information in the data base was helpful for the field survey on individual beneficiaries to draw the sample and conduct the interviews. It does not appear, however, to be regularly updated and does not include relevant information on the achievement of outputs and outcomes to monitor project results.

²² Output 2: Establishment of cottage industry associations within targeted communities for related cottage and micro industries (Self-Evaluation Report) instead of the equivalent in the Project Document: Establishment of cottage industry associations within each targeted communities ...; Output 3: Rehabilitation and equipping of cottage industry training centers for training the beneficiaries in entrepreneurship development, micro-industries business management and associated technologies, instead of establishment of a cottage industry facility center within each of the targeted communities to provide technical, management and marketing advice to households

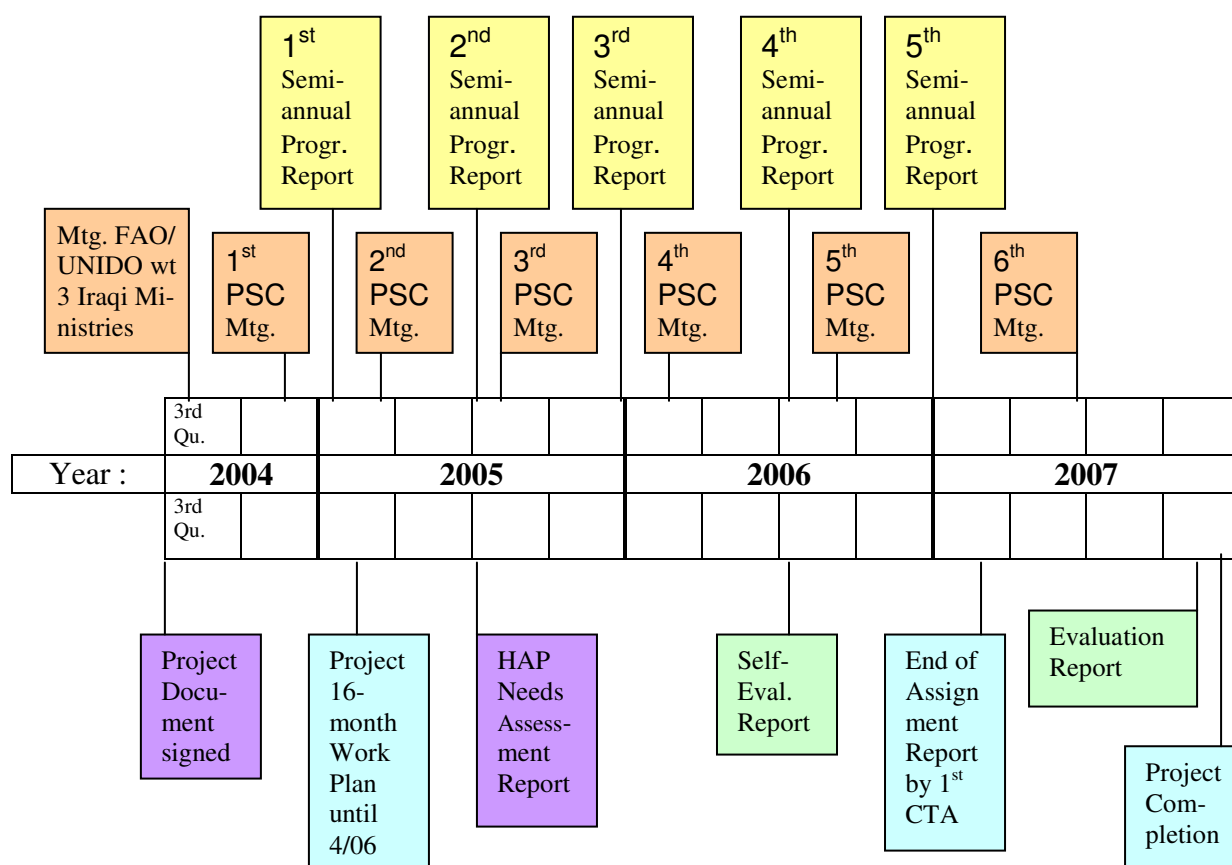
²³ This statement ignores however the discussions at cluster level where exchange of information, progress reports, newsletters, experts, etc. took place. In addition, there seems to have been some collaboration with UNEP regarding training material on how to treat waste from processing activities. It has also been said that the activities of the project do not lend themselves to a wider cooperation involving other UN agencies outside UNIDO and FAO as co-implementers. There is no build in cooperation with other UN agencies. In addition the security in the field does not allow close interaction. On the other hand, it has been pointed out that UNHCR has a huge programme on income creating activities for IDP's. Both agencies could probably have benefited from a closer interaction during the design stage of Cottage I.

²⁴ The third PSC meeting decided on the criteria and process of identification and selection of the target communities and the beneficiaries. They were planned to be selected in accordance to criteria such as vulnerability, family situation (female-headed households, widows, returnee, elderly, homeless, deprived, etc), access to resources, access to market, skills, employment status (excluding government employees), motivation for entrepreneurship, business mentality, etc. The ministry offices in the districts and sub-districts will be involved in the selection of beneficiaries, based on these criteria and the results of the base line survey.

64. The PSC carried out efficiently its governance and oversight role. It met six times in 33 months and seems to have provided (through its high level membership from the three counterparts in line ministries²⁵), timely decisions for adapting the project to changing circumstances. It performed a highly effective coordination role among all stockholders to ensure smooth project implementation.

65. The evaluators have studied the minutes of the third PSC meeting (August 2005) carefully. What they expected to see there, namely a formal revision of what had been planned according to the project document, was not found. This could at least partly be attributed to the fact that the progress report, presented in that PSC meeting, does not cover these (proposed) major deviations from original targets explicitly, reporting there is not done against original plans. In addition, the inception report was never prepared, though it had been announced several times²⁶ for this period following the needs assessment. A revision of the project's logical framework matrix has not taken place.

Diagram 3: Major Reports and Meetings shown along a Timeline



²⁵ The Ministry of Displacement foreseen in the project document as one of the implementing ministries was replaced by MOLSA since the former had insufficient implementation capacity.

²⁶ For instance the work plan for the first half of 2005 included in the first progress report: 'In May/June 2005, based on the outcome of the baseline assessment, an inception report and detailed work plan will be prepared and will be discussed and will be presented for approval by PSC.' Also the work plan (sometimes wrongly identified as the inception report) prepared by the first CTA in February 2005 explicitly announces such an inception report.

5.3 Generation of outputs, outcomes and impact

66. In addition to the information and reports provided by the project management team, the evaluation team organised a series of field surveys to assess the performance of the project in terms of quality and adequacy of outputs and to collect evidence on the outcome and impact and on the targeting of vulnerable groups. Four surveys were conducted during the period 1 July and 15 September by an independent national team of consultants using a specifically designed questionnaire for each survey. The first survey addressed the renovation and equipment of the VTCs and the others addressed the three categories of project beneficiaries: trainers, individual beneficiaries and their cottage industries micro-enterprises, and the PA/Gs. The characteristics of each survey and the derived sample are presented in the outcomes and impact sections of the related category of output.

67. Although there have been other important outputs such as the Needs Assessment Study²⁷ done by an International Company with the help of the NPC and 12 staff of the two line ministries who were later involved as trainers, the evaluation team has concentrated the analysis on what it considers the main outputs produced by the project. These are: (i) rehabilitated/upgraded training centers; (ii) trainers whose capabilities in providing training in cottage industries were strengthened; (iii) training material produced and distributed; (iv) unemployed people from vulnerable households trained; (v) production associations/groups established; and (vi) start-up tool kits distributed to beneficiaries and production equipment to PA/Gs. The use of these outputs has been considered the major outcome of the project. When it comes to the project's impact the focus of evaluation team was on the results of the use of the outputs.

Diagram 4: Major Project Outputs produced shown along a Timeline

| Outputs | 2005 | | | 2006 | | | | 2007 | | | | | |
|------------------------------------|-------------|----|-------------------|-------------|---------------------|-----|-----|-------------|--|-----|-----|----|--|
| Preparatory TNA | | ⊗ | | | | | | | | | | | |
| VTCs rehabilitated ²⁸ | | | | | | ☆ | | ★ ★ | | | | | |
| trainers trained ²⁹ | | 29 | 6 | 4 | | | 8 | 2 | | 7 | | | |
| training material | | | non-food material | | food trng. material | | | | | | | | |
| total beneficiaries trained | | | | | 15 | 132 | 126 | 148 | 140 | 414 | 246 | 75 | |
| PA/Gs formed | | | | 4 | | | | 2 | 2 | 2+1 | 2 | 1 | |
| toolkits distributed ³⁰ | | | | | | | | | 319 toolkits (non-food) 235 toolkits (food) | | | | |

²⁷ This identified, among others, 13 financially viable and sustainable sub sectors, 20 locations for embarking on different cottage and micro-industries.

²⁸ The white star represents completion of MOLSA's VTC in Nassiriyah, the small blue star stands for MOA's training facilities in Nassiriyah, and the big blue star for MOA's training and extension centre in Al Qorna.

²⁹ The third semi-annual progress report covering the second half of 2005 talks of only 43 trainers (accumulative) who received ToT. The table timeline above displays the figures received by the evaluators in November 2007.

³⁰ 319 toolkits of 435 purchased have been distributed to beneficiaries; 116 are still in stock, thereof all 50 TKs for spinning and weaving and 53 TKs for sewing, 8 for agro-mechanics and 5 for wood work. – The 3rd progress report talked about equipment that has been purchased for 750 beneficiaries in non-food processing technologies and for 590 individual beneficiaries in food processing technologies (p.6). Later this progress report mentions as an achievement of the last six-month period even the purchase of equipment for 1500 individual beneficiaries. In terms of number of TKs this would have been sufficient for all beneficiaries that (will have) received training. The value for the 590 food TKs was said to be US\$165,000 (2nd progress report, *ibid*).

5.3.1 Renovation of VTCs

5.3.1.1 Outputs

68. The Ministry of Labour and Social Affairs (MOLSA) and the Ministry of Agriculture (MOA) have some 20-30 vocational training and extension centers (VTCs) each in Iraq. More than half are presently not functioning. Two centers were identified by the ministries in March, one in Nassiriyah, Thi Qar Governorate (MOLSA) and one in Al Qorna, Al Basra Governorate (MOA), to serve as venues for the project's training programme.

69. At the time of the Evaluation the project has contributed to the rehabilitation or even complete renovation of three vocational training and extension centers (VTCs). Two of the centers, one located in Al Qorna (almost newly constructed) the other in Nassriya (minor rehabilitation to make it suitable for basic training activities until the Al Qorna VTC was completed), fall under the authority of the Ministry of Agriculture; one in Nassriya (major rehabilitation) comes under the Ministry of Labour and Social Affairs.

70. The PSC and its technical working groups reviewed and approved the process and results of assessing the situation of facilities by consultants, the design work and the construction by Iraqi construction companies. The rehabilitation of the Nassriya non-food VTC was completed in August 2006 while the construction of the Al Qorna VTC was finalized in January 2007, i.e. after the originally foreseen project's official completion date³¹ ..

71. Some renovating work has also been done under the project at the MOA premises in Nassriya which served as a place for training as a result of delays in completing the center in Al Qorna.

72. The management of the centers were unanimously of the opinion that the civil works were done well with the result that the existing facilities could now be considered suitable for the requirement of the training. Although all directors judged the rehabilitation works to be of average quality, the director of the Al Qorna VTC said proudly that his center is the best building of its kind in the district, much better than those in the neighbourhood.

73. There is a long list of equipment delivered and installed for the training of beneficiaries in the centers. Workshops valued US\$ 550,000 for welding/metal work, agricultural mechanics, blacksmithing, carpentry, sewing/garment making, spinning, and weaving/carpet making were installed in the Nassriya non-food VTC. Workshops for date processing, fruit processing, jam and date juice processing and, more recently, a dairy plant were delivered to Al Qorna VTC³². The fruit juice and jam as well as date processing equipment were transferred to the temporary training center in Nassriya due to the delay in the construction of the Al Qorna center. The procurement and delivery of the equipment was a lengthy process under difficult security conditions.

74. The director of the Al Qorna VTC called the equipment 'fully operational'; the one of MOA's VTC located in Nassriya said almost everything was functioning except the boiler and pasteurizer; and the director of MOLSA's center believed that most equipment was operational. Delays were mainly experienced with respect to the food processing equipment; the equipment for wood working, metal work, and textiles, was already procured for Nassriya VTC in August 2005. While the director of the MOLSA training center considered the set of

³¹ The PM informed evaluators that UN implemented projects in Iraq have an average delay of 12 to 24 months, mainly due to the security situation.

³² Given MoA's responsibilities in rural development, it was agreed that from the equipment being procured by UNIDO, one set of sewing, spinning and weaving equipment would go to the MoA training center in Al Qorna.

equipment 'complete' but not always of best quality³³, his colleagues of the other two centers rather classified the sets as 'incomplete'; either additional tools were needed or some machines had limited capacity.

75. The two training centers in Nassriya (MOLSA) and Al Qorna (MOA) can now train up to 1000 trainees per year on at least 13 different types of cottage industry activities. The Al Qorna training center has food processing halls for pilot plants in dairy, fruit and vegetables, cereals, dates processing and chemical, raw material and finished products stores, a laboratory, training rooms and other rooms for auxiliary equipment. The Nassriya training center has workshops for the textile technology (sewing, carpet making and spinning), wood workshop, metal workshop, agro-mechanical workshop and a training room.

5.3.1.2 Outcomes

76. All three training centers have been used subsequently for training beneficiaries in cottage industry activities. Two were not functioning due to lacking facilities, equipment and trained manpower before the project, and one has been created as a temporary venue for the project's training programme.

77. During the evaluation survey, management of all three VTCs said that the equipment installed has been intensively used for training and demonstration purposes³⁴. Not all evaluators were completely convinced whether this applies also to the dairy processing plant installed at Al Qorna³⁵. There were informants who considered this processing line for cheese, butter, cream, pasteurized milk and Lebna to be over-dimensioned and not very suitable for training of the project's target group³⁶.

78. Being asked whether the technical equipment installed in the center by the project was suitable for the training of people that the Project was targeting, all three directors gave positive answers.

79. Some equipment was out of order in the meantime. Directors of the food processing VTCs claimed that spare parts were either not available at all or lacking in terms of numbers. Two directors anticipated problems with maintenance. The director of the VTC, Al Qorna, emphasized that some of the equipment was completely new to them. He therefore called for training in maintenance of such machines.

80. The general assessment by the three directors was very positive. The one from Al Qorna highlighted the production of clean and partly new products; the one from MOA's VTC in Nassriya stressed his staff's experience in using modern equipment and the practical skills that they imparted to trainees now.

5.3.1.3 Impact

81. The investment that has been made into the VTCs together with other outputs of the project has already led to increased practical and theoretical capabilities of hundreds of trainees who - as we will learn later - have found productive employment in cottage industry of Southern Iraq. The VTCs with their processing plants and equipment are prerequisites for many different types of training that could not take place otherwise. The integration into the

³³ It has been brought to evaluators' attention that the equipment is up to EU standards, and was in line with the technical specifications cleared by the MOLSA.

³⁴ The Field Survey Report argues: '*The bulk of the training equipment in the VTCs is used at 66% of its capacity with about 34% being used at full capacity.*'

³⁵ Evaluators have been informed in November 2007 that training and demonstration has been carried out using the dairy plant.

³⁶ It has been pointed out that it can become very useful for other purposes though, e.g. for applied research on new products and training of university students.

regular programme of the VTCs of the training provided by the UNIDO/FAO Project will offer good opportunities in the future to develop the cottage industry sector in Thi Qar. A reliable budget line for the VTCs formally adopted by Government as part of the national budget will help considerably to keep the centers functioning.

82. The VTCs' modern equipment sets standards among people who become familiar with them during training. Being asked how many of them will get a chance to use them in their cottage industry activities the directors of MOA's centers answered that they believe half to three quarter of the trainees will get that chance; for the people involved in non-food related income generating activities the percentage was even believed to be higher, namely 75-100%.

83. These VTCs have already been recognized as models for other training and extension centers in Iraq. It is vital therefore that the satisfaction and dissatisfaction of Iraqi engineers and VTC users with specific features related to the process of establishing them and with the final layout of the facilities and their equipment is taken into account in planning future rehabilitation of VTCs in Iraq.

84. It can be expected that the centers will not only be used for training. For example, it seems that a start has been made to design and fabricate equipment for cottage industry activities in the VTCs. The CTA in his End-of-Assignment Report states that equipment for the ceramics (pottery) production including the gas furnace and spinning has been designed and manufactured in the training center. Improving traditional carpet weaving looms by trainees in VTCs has also been considered.

5.3.2 Training of trainers

5.3.2.1 Outputs

85. It has been recognized from the beginning that the training capacity for enabling the target group to become engaged in income generating activities needs to be strengthened. Obviously the emphasis in such an effort had to be on people who were working as trainers in the cottage industries identified as promising activities in Thi Qar.

86. There were no clear quantitative targets maintained over time. Obviously during summer 2005 it was accepted by major stakeholders that 1500 unemployed people should receive training during the life of the project³⁷. The project document did not include any number for the trainers to be trained for this purpose, and while during the third PSC meeting two trainers were believed to be necessary in each of the 13 types of cottage industry activities³⁸ the second Progress Report covering the 1st half of 2005 mentions that the training of up to 100 trainers would be required.

87. The last figures received by the evaluators indicate that 61 people attended training of trainers (ToT)³⁹. Their average age is about 44 years⁴⁰; they are usually married and hold either a B.Sc. or have a technical diploma. Approximately half of them had already received some specific training abroad (Morocco, Egypt, Spain and Jordan) in technical subjects as trainers which however dated back to the 1980s and 1990s. As early as July 2005, 52 trainers had already received training under the project, 35 male and 17 female. Women were mainly from the typically female-dominated areas such as sewing or food processing

³⁷ The Needs Assessment report had suggested 1500 plus up to 500 beneficiaries for two to three associations per district)

³⁸ Except for the textile related trainings where two trainees from MOLSA and two trainees from MoA were believed to be necessary.

³⁹ The fourth progress reports states that 5418 man-days of international ToT training was completed

⁴⁰ According to the sample of 15 trainers interviewed during the survey. The information that follows is derived from the survey sample.

and remained numerically underrepresented, although one third female participants would be considered by many people an achievement that deserves to be recognized.

88. The second PSC meeting in March 2005 agreed that the three ministries would suggest candidates from the region. Later the lists were discussed with project management and several adjustments were made to arrive at more suitable training participants. The third PSC meeting confirmed that participants of the ToT would be requested to sign a confirmation saying that they would be available to work at the project training centers for a minimum of two years.

89. It was easily accepted during the above mentioned meeting that trainers should be strengthened in three areas: communication skills, entrepreneurship development and technical cottage industry knowledge/skills. During implementation it was recognized that the second area had somehow been neglected, and additional training was then provided for 7 trainers at the University of Amman.

90. This meeting also discussed the possibility of having the ToT organized at institutions in Iraq, such as the Baghdad University and other vocational training institutes. The representative of MoA suggested the College of Agriculture in Baghdad but had to admit after further investigations that the college was not sufficiently equipped to undertake the training. This must have been true also for other institutes of higher education in Iraq since most of the ToT was subsequently organized abroad.

91. Training took place in Morocco⁴¹, Tunisia⁴², Egypt⁴³, Spain⁴⁴ and Jordan⁴⁵. Of 61 ToT participants 57 GOI staff⁴⁶, 3 from associations formed under the project and 1 from UNIDO. Looking at their title, educational background and their position/assignments many participants were not trainers or subject matter specialists in the subject of the courses. At the same time, the number of training staff of the centers, compared to the large number of required courses of different types, is still considered too low. Ideally, a pair of trainers would be available at each VTC for each cottage industry subject offered. Trainers have mentioned how much easier it is to conduct longer courses with a colleague. In addition VTC management would feel relieved in case a substitute is readily available if one trainer has left the center or is unable to carry out the training.

92. Substantial efforts from UNIDO, FAO and Government staff went into the organization of the ToT. The reports on the training that were provided as a sample to evaluators by project management were prepared by the organizing institute of the Tunisia study tour and by the Faculty of Agriculture in Amman providing training in fruit and vegetable processing and dairy⁴⁷. Both included very general assessments by participants that were more or less positive. The third PSC judged the Morocco training as very useful but somewhat too general and called for more specific subject matter training. Unfortunately, project management did not systematically collect feedback of trainers on the training received abroad (i.e. through a

⁴¹ Food & non-food industries 15/5 – 27/5/2005 (29 participants); pottery and reed processing 13/11-25/12/05 (4 participants; two each)

⁴² Date Study Tour 14/11/2005 - 28/11/2005 (5 participants)

⁴³ Sewing training course 16/7 – 16/8/2006 (6 participants)

⁴⁴ Weaving training course 21/3 – 25/3/2007 (2 participants)

⁴⁵ Food industries training course 17/9 – 23/9/2006 (8 participants); business management training 27/7 – 13/8/2007 (7 participants)

⁴⁶ 19 from Nassiriyah VTC; 11 from Nassiriya Agricultural Offices; 4 from Al Qorna VTC; 4 from Basra VTC (non-food); 4 from MOPDC- Baghdad; 9 from MOA/DOA Basra, and 6 from MOD Missan

⁴⁷ The submission of such reports was part of the contracts the project entered into with institutes providing ToT.

form or by insisting on a report from an individual participant). This would have contributed to assessing the value of individual training courses for other future ToT candidates in Iraq⁴⁸.

5.3.2.2 Outcomes

93. The most important outcome of the ToT activities is certainly the significant number of training courses conducted. Until October 2007, 94 training rounds (thereof 38 on food and 56 on non-food cottage industry activities) were organized by the three VTCs. More details will be given in the section on training of beneficiaries.

94. This number is particularly impressive since contrary to what had been agreed, many participants of the ToT activities never conducted training for the project's target group in the VTCs after their training abroad. It is difficult for the evaluators to determine the exact number of trained trainers who have subsequently conducted courses for beneficiaries⁴⁹. However, it is safe to say that 1/3 up to 1/2 of the people who received TOT under the project has conducted (participated in) some 94 training rounds for beneficiaries. This means on an average each of them has been involved directly in 3-5 courses⁵⁰ (10-24 training days per course). However the standard deviation seems to be rather high. Looking at our sample of trainers⁵¹ who have been interviewed, 12 of the 15 received TOT under the project. There was one in the sample who attended training in Morocco and Jordan for about two months but conducted only one course, others received only a 4-day course in Jordan and delivered 16 courses.

95. A key informant for the evaluation team critically mentioned that the ministerial management made mistakes in the nomination of people for ToT courses abroad. He was of the opinion that too many department chiefs and engineers participated in ToT who were known to never work in the project as trainers since they had quite different jobs and responsibilities. He blamed management for not insisting on the written commitment which obliged them to conduct courses after the ToT abroad. To support his argument he cited the longest training in 2005. According to him, of the 29 participants who travelled to Morocco only 10 worked subsequently in the project as trainers.

96. Indeed, the direct effectiveness of the TOT programme is compromised if one has to concede that at least half of the people trained never conducted any training under the project until October 2007. This remains true even if one agrees with the Project Manager who argues in his self-evaluation report that *'the ToT also becomes an important mechanism for transmitting knowledge and skills to line ministry staff who will become extension and*

⁴⁸ Forms owned by the institutions that provided the training were obviously completed by participants but they are not available in the project's archives.

⁴⁹ Data has not been conducted on this aspect. The conservative estimate is derived from an analysis of the TOT list provided to evaluators in November. The more optimistic estimate stems from the statement of the CTA who said in an email to evaluators: *'Since the start of the implementation of the project 31 trainers have been constantly in the 3 VTCs participating in the training of beneficiaries in food and non-food technologies.'*

⁵⁰ In our sample the equivalent number was 8 probably due to the fact that trainers of the Al Qorna VTC who had conducted a smaller number of courses were not part of the sample because of security reasons.

⁵¹ Most of the information provided here and in the following section has been derived from a survey on trainers based in Nassiriyah who delivered training under the project. 15 people have been interviewed during that survey. Among them the two managers/principal trainers of the MOLSA and MOA centers, and the two trainers from the private sector who (together with one dairy trainer) did not receive training under the project. The rest received training in Jordan (4), Morocco (4), Egypt (2) and Spain (2). Five of the interviewed trainers were women. Six trainers had the head of the Nassiriyah Office of Agriculture as their supervisors and 7 came under the Director of the Nassiriyah VTC under the auspices of MOLSA. The Al Qorna VTC could not be visited by the survey team for security reasons. It should also be noted that this sample does not include people who received ToT but were not trainers at the VTCs.

support service providers and the ones who will play a critical role in sustaining the gains of the project over time (incl. monitoring).'

97. Two carpenters from the private sector were selected to work as trainers, provided the training initially for free and were then paid an honorarium for the following courses. Their experience and performance was considered outstanding.

98. From our survey on trainers we know that some courses were given in pairs. All respondents said that they integrated some sessions on business management into their programmes for beneficiaries. The ToT has been experienced by the trainers to be very relevant for these ToB courses. 11 out of 12 judged the training received abroad either highly or very highly relevant for the courses they provided at the VTCs. Consequently 12 judged their own qualifications as good enough now to provide their courses well. The two carpenter trainers from the private sector indicated their strong interest in going abroad to get to know new machines and modern designs. Being asked whether they had all necessary technical equipment for their courses, all but two trainers gave a positive answer. According to the 15 trainers, this equipment could be tried out by each participant during their course. The chief trainer in MOA's VTC suggested visiting workshops together with trainees in the future.

99. An independent judgment on the quality of training provided cannot be brought forward, and seems to be not available in the project for most cases. 11 trainers admitted to never use a participant evaluation form at the end of their courses, and 10 answered the question, whether his/her course has ever been assessed by somebody who participated in the training as an observer, with a straight '*no, never*'. Some people have argued, the fact that most trainees were employed or became self-employed subsequently, shows that the training was of good quality⁵². Although this is probably true, a critical observer could easily ask them, how come they know that it was not the good training material which has made up for relatively poor instructions. In addition to such more sophisticated reasoning, the authors are convinced that an in-built evaluation could have further improved the quality of instructions, leading possibly to an even greater success rate.

5.3.2.3 *Impact*

100. The direct impact of the ToT activities can be seen in two areas. The increased competence and motivation acquired by trainers from the training programme they deliver, and the benefits which accrued for the trainees from the courses provided.

101. The human resources generated through the project would need to be put to good use after the project. The trainers must get the opportunity to impart their new knowledge and skills in further training rounds. This may, if possible, include training in other governorates under the second generation cottage industry projects. The latter could also arrange meetings of trainers working in the same type of cottage industry to exchange their ideas and material.

102. Trainers also should be given the opportunity to learn from their clients, former trainees and micro-industry entrepreneurs, what additional specific knowledge and skills are required and should become part of their training. There is no better way for this than to involve trainers in monitoring and coaching activities. In fact, half of the trainers interviewed had visited former trainees already. The project management could help to structure such visits and make them fruitful for the clients and for the trainers.

⁵² Quality insurance should be an in-built mechanism that would help to have quality outputs. Besides this, project management did not have this indicator value before the evaluation, although the indicator '*employment status after training*' was suggested to be used in the logframe.

103. At the same time there is obviously a shortage of training staff in the VTCs and trainers involvement in mentoring activities may consume working time that otherwise would be spent on training. This may explain a certain reluctance of government representatives, observed in the last PSC meeting, to make these monitoring and coaching functions part of the trainers' regular tasks. What would be the way out? Can there be a better balance of workload between VTC trainers⁵³? And/or can ministerial staff who received ToT under the project perhaps still be assigned to the VTCs?

104. Looking at the people who have been trained by the trainers so far, there are a number of indications that in the large majority of cases the right people have benefited from the trained trainers and their courses. One is the trainers' opinion. Being asked how they estimate the percentage of their classes that represented the target group of the project⁵⁴ 6 indicated 75-100% and 8 said 50-75% of their trainees belonged to the project's target group.

105. Most trainers considered the majority of their trainees complete beginners in the technical cottage industry activity that was the subject of the course. And after their courses they judged their trainees sufficiently competent to start a business or find employment. All trainers conducted a test or examination at the end which was usually passed successfully by 80-100% of the trainees who then received a certificate that has helped many of those who applied for a job in their field of work.

106. One of the conclusions of the Field Survey Report is that the training provided by the project is of a better quality compared to the previous one conducted by the VTCs and leads to better salaries when the trainees are hired.

107. It is probably justified to argue that both, the ToT and the ToB courses were having a substantial impact on the human resource base in terms of training competence and technical capacity in cottage industry activities in the project area. On the other hand, what a trainer said about the training he conducted does also apply to the ToT received by himself and his fellow trainers: '*The training course period (ToT and ToB were considered by almost everyone too short) is not enough, as it does not qualify to be a master in the field; it gives skills to be refined, developed and shaped throughout daily practicing.*'⁵⁵

5.3.3 Development of training material

5.3.3.1 *Outputs*

108. The project's sixteen-month work plan prepared by the CTA in February 2005 anticipated the preparation of training material for the second half of 2005 and the first quarter in 2006. In August 2005, the PSC confirmed that training packages for the beneficiaries had to be developed for the various activities, including a module on the creation of associations and marketing.

109. In a first step the project manager as well as operations and technical officers of UNIDO and FAO identified available training material and sent this to the CTA in Amman. The audio-visual and printed material was screened by project management together with the VTC directors in Jordan during a two day workshop.

110. Soon training manuals for 13 different training modules were under preparation for training beneficiaries. In addition to the specialized technological training, a standard training manual for business management, book-keeping, entrepreneurship development and marketing are being prepared in Arabic in Amman. The project management team adapted,

⁵³ See the uneven involvement of trainers in delivering project courses.

⁵⁴ The project's target group was explained again thoroughly by interviewers before asking the question.

⁵⁵ Cited from an article about the project in 'The Al-Mada'.

developed, and/or commissioned curriculum training materials for both food and non-food vocational training. It cooperated e.g. with the Baghdad University and other vocational training institutes in the development of training manuals.

111. The third progress report specified that the non-food training materials produced consisted of 37 different audio/visual materials (DVDs and CDs); and 54 different types of training manuals (3500 pages). These were provided to the Nassriya vocational training center. The food training curriculum that was produced involved 4 different training modules. A specialist from the University of Jordan was involved in the final stage of their preparation. Their costs for the project were estimated not to have exceeded US\$10,000⁵⁶. In addition the project has designed curriculum for training of trainers.

112. The materials vary considerably in terms of quality and degree of detail. Usually the non-food material is more complex. By contrast the four different manuals on household level processing of dairy products, small-scale processing of cereal products and of dates are relatively short and appear easy to follow. Finally, a UNIDO/FAO expert meeting on the training material took place in Amman, and a workshop on the utilization of the training material was organized with selected trainers, the directors of the VTCs and representatives of the MoLSA from Baghdad (responsible for curriculum development).

5.3.3.2 Outcomes

113. Trainers could determine the way they wanted to conduct their courses. All trainers of our sample explained that they had made intensive use of the training material provided under the project. Half of the trainers of our sample praised the material⁵⁷ received during the ToT training as 'very good', and the other half still considered them 'good'. The material received for their ToB courses were considered 'very useful' by 8 and 'useful' by 6 trainers. Usually the latter were the ones who missed certain material or thought that it needs further developing.

114. While the training material has obviously been assessed thoroughly before its use in beneficiary training, a thorough review and revision of the training materials and their specific use by trainers does not seem to have been facilitated by project management. This should certainly precede the requested further development of audio-visuals and printed material.

115. The potential effectiveness of the training material has obviously also been recognized by MoLSA as it is still involved in having material translated into Arabic.

116. Directors of the VTCs have argued that the project courses were more effective as a result of better training material.

5.3.3.3 Impact

117. The training material can be expected to have a direct impact on the degree of people's understanding and mastering cottage industry activities. It is difficult to judge the extent to which the quality of the training material has led to trainees' new skills and increased competences as opposed to the teaching quality of the trainer or the training equipment which was demonstrated to and tried out by participants. Most experts would probably argue that good quality training material is an essential ingredient of successful training. How

⁵⁶ This includes a lot of staff time from the FAO technical division (AGST) and the first CTA.

⁵⁷ It was in the final stage of the preparation of this report that evaluators were informed that a review of training material is scheduled for December, to be completed before the next training round (for Cottage 2) starts which is going to use the reviewed material. Regarding reviewing the technical contents, FAO will do this in-house. UNIDO, was planning to contract a training material specialist to streamline all the material, standardize it to the extent possible, and make sure it is well embedded in a common approach for all cottage industry projects.

frequently beneficiaries have consulted their technical manuals once they tried to practice the cottage industry activity, and how often the material helped them to succeed has not, but could have been asked.

118. It seems that the use of the training material in other governorates under the 'second generation' cottage industry projects has already been considered. Instead of re-inventing the wheel, the existing audio-visuals and printed material should be improved. This would best be done in collaboration with those who have used the material already as trainers and/or trainees. In the first rounds it is a good idea to get detailed feedback from course participants. After more people will have conducted a particular type of cottage industry training, it may become opportune to organize a workshop for trainers from different governorates to develop national training kits for special cottage industry activities which would be worth being produced in larger quantities.

5.3.4 Training of individual beneficiaries

5.3.4.1 Selection criteria of beneficiaries

119. The beneficiaries were selected in a transparent manner by sub-district, district committees and endorsed by a committee at the Governorate level using a strict set of criteria to target the vulnerable households among the applications received after a widely advertised call for submission. The screening criteria included the following: a selected beneficiary should not be a public sector employee; should be a head of household with no source of income with priority to a household having a handicapped member; and to a female widow head of household. An applicant having an interest and experience in a specific type of cottage industry will have the priority to be trained in his field of specialization

5.3.4.2 Outputs

120. As of 31 October 2007, some 1282 beneficiaries (85% of the overall project target) were successfully trained through 94 training rounds conducted by the three VTCs of MOLSA and MOA with incremental operating costs provided by the project. As a result of the rigorous selection process of beneficiaries and their close monitoring by the trainers and the NPC, the drop out rate is remarkably low (less than 1%). The geographical distribution of the beneficiaries is reasonably balanced between the 5 districts taking into consideration the population weight by district, except for the district of Rifaay due to the security considerations and the remoteness of the Fajer sub district from the project headquarter at Nassriya. On the basis of the training programme in the pipeline for the remaining period the training target of 1500 beneficiaries would be fully achieved.

121. Table 2 below presents the distribution of actual trained beneficiaries by type of cottage industry and gender. About 55% of the trainees were in non food cottage industries. So far the proportion of female trainees (51.7 %) is slightly higher than the male trainees (48.3). It is not surprising that 2 food (dates and fruits/vegetables) and 2 non food training modules, (sewing and carpet making) were attended exclusively by women while the 5 non food training modules; (welding, pottery, blacksmithing, agro mechanic and wood working) were only attended by men. The dairy training and reed furniture modules benefited both men and women.

Table 2 **Distribution of trainees by type of industry and gender**
(As of 31 October 2007)

| Industry | Training Rounds | Trained beneficiaries | | Total |
|------------------------|-----------------|-----------------------|--------------|-------------|
| | | Male | Female | |
| A. Non Food | | | | |
| Welding/fabrication | 10 | 143 | 0 | 143 |
| Sewing/garment | 11 | 0 | 165 | 165 |
| Pottery | 7 | 60 | 0 | 60 |
| Reed furniture | 7 | 64 | 9 | 73 |
| Blacksmithing | 5 | 63 | 0 | 63 |
| Agro mechanic | 6 | 82 | 0 | 82 |
| Carpet making | 4 | 0 | 40 | 40 |
| Wood working | 6 | 85 | 0 | 85 |
| Subtotal | 56 | 497 | 214 | 711 |
| B. Food | | | | |
| Fruits/vegetables | 10 | 0 | 143 | 143 |
| Date processing | 12 | 0 | 177 | 177 |
| Dairy | 16 | 135 | 116 | 251 |
| Subtotal | 38 | 135 | 436 | 571 |
| Total: NF and F | 94 | 632 | 650 | 1282 |
| % | | 48.3% | 51.7% | 100% |
| 100% | | | | |

122. The training started rather late during the project life with about 30% achieved during the second year (2006) and 70% during the first 10 months of the third and last year (2007). All the food training activities took place in 2007. The duration of training modules varied considerably from as low as 10 days for 4 modules (the 3 food and carpet making), 15 days for 3 modules (pottery, reed furniture and blacksmithing), and 20 – 24 days for 5 modules (welding, sewing, agro mechanic and wood making). One major finding from the training of trainers and the individual beneficiary's surveys is that there is a strongly shared concern on the long delay in starting the training, the short duration of all training modules and the limited exposure to practical compared to conceptual training.

5.3.4.3 Outcomes

Profile of individual beneficiaries included in the sample field survey

123. The individual beneficiaries' survey was designed to assess the outcomes from the use of the knowledge and skills acquired through the training and to provide preliminary evidence on the impact. A random sample of 90 individual trained beneficiaries for direct interviews was derived and a specific questionnaire used for the interviews. Table 3 presents the sample distribution by industry type, gender, and toolkit recipient. The sample covered 9 districts and sub-districts where over 70% of the project beneficiaries were located at the time of the survey. It included 5 out of 8 non food industries and the 3 food industries. Two third of the sample addressed the non food industries and one third the food industries. About 62% of the sample is composed of male beneficiaries and 38% of female beneficiaries. The overall sample is evenly distributed between those who received toolkits (51%) and those who did not (49%).

Table 3 Distribution of beneficiaries included in the sample field survey for direct interviews

| | With toolkit | | | No toolkit | | | Total | | | |
|--------------------|--------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|---|
| | M | F | T | M | F | T | M | F | T | |
| A. Non Food | | | | | | | | | | |
| Welding | 3 | 1 | 4 | 7 | 0 | 7 | 10 | 1 | 11 | |
| Sewing | | 0 | 4 | 4 | 0 | 4 | 4 | 0 | 8 | 8 |
| Blacksmith | 6 | 0 | 6 | 2 | 0 | 2 | 8 | 0 | 8 | |
| Wood working | 11 | 0 | 11 | 8 | 0 | 8 | 19 | 0 | 19 | |
| Agro mechanic | 10 | 0 | 10 | 1 | 0 | 1 | 11 | 0 | 11 | |
| Subtotal | 30 | 5 | 35 | 18 | 4 | 22 | 48 | 9 | 57 | |
| B. Food | | | | | | | | | | |
| Dairy | 4 | 0 | 4 | 3 | 0 | 3 | 7 | 0 | 7 | |
| Date processing | 0 | 7 | 7 | 0 | 10 | 10 | 0 | 17 | 17 | |
| Fruits/vegetables | 0 | 0 | 0 | 0 | 9 | 9 | 0 | 9 | 9 | |
| Subtotal | 4 | 7 | 11 | 3 | 19 | 22 | 7 | 26 | 33 | |
| Total | 34 | 12 | 46 | 21 | 23 | 44 | 55 | 35 | 90 | |

124. Given the difficult security conditions, prevailing in the field, 50% of the beneficiaries had to be interviewed in public sector offices (the 2 VTCs at Nasiriya and the MOA office at Chebaesh, 36% in the beneficiaries' home at their request and 14% at their work places including PA/Gs. The interviews at the VTCs helped the trainers to get useful feedback from the beneficiaries on the relevance of the training and the progress made in applying their new skills. The interviews at the beneficiaries' home were useful to understand the conditions of poverty. The main results of the survey in relation to outcomes and impact are summarized below.

125. About 60 % of the interviewed beneficiaries are male, 51% are married, 39% are young and unmarried, 6% widowed female and 4% divorced female. The average age is 29 years and the average family size is 10 persons. All the beneficiaries were nominated by the CCs of their districts and sub-districts of residence. Over three fourth of them did not have previous exposure relevant to the training received from the project and one fourth had some exposure to the training received. It should be highlighted that the selection criteria does not impose previous experience in cottage industry as a condition

126. Before they joined the project, the beneficiaries were unemployed for over 4 years on average and declared that their level of income ranged from nothing (37% of the cases) to very low (over 51 %) and low (9%). Only 3% considered themselves as having a reasonable income level. The sources of income mostly cited are: daily hired labor in construction work, farming and fishing in the marshlands, small trade in fruit and vegetable, pension recipients.

Establishment of income generating cottage activities and access to employment

127. The immediate expected outcome from training received is to what extent each beneficiary was able to initiate a self employed cottage industry micro enterprise or engage as a hired employee. Table 4 below provides the status of employment of a sample of 332 trained beneficiaries or 27% of the total number of trainees as of 30 September 2007. The sample is composed of 90 beneficiaries interviewed using a questionnaire during the field survey of July- August 2007 and an additional 242 beneficiaries interviewed by telephone from 27 September to 8 October 2007.

Table 4 Employment status of beneficiaries (as of 30 September 07)
(Results of both direct interviews in the field and telephone interviews)

| Type | S.R.T | S.U.T | H.R.T | H.U.T | N.E | Total |
|------------------------------|------------|----------|-----------|-----------|-----------|------------|
| Non Food | | | | | | |
| Sewing | 62 | | 6 | | 9 | 77 |
| Welding | 23 | | 10 | | 5 | 38 |
| Wood work | 28 | | 21 | | 2 | 51 |
| Agro Mechanics | 15 | | 17 | | 7 | 39 |
| Carpet making | 2 | | 11 | | | 13 |
| Subtotal N.F | 130 | | 65 | | 23 | 218 |
| Food related | | | | | | |
| Date processing | 36 | | 5 | | 6 | 47 |
| Fruits &Vegetables | 28 | | 1 | | 10 | 39 |
| Dairy processing | 7 | | | | 6 | 13 |
| Subtotal Food | 71 | | 6 | | 22 | 99 |
| Unrelated to training | | 1 | | 14 | | 15 |
| Total | 201 | 1 | 71 | 14 | 45 | 332 |
| % | 61% | 0% | 21% | 4% | 14% | 100% |
| %female | 67% | | 56% | | 69% | |
| %male | 33% | | 44% | | 31% | |

S.R.T: self employment related to training **H.R.T:** hired and training related

S.U.T: self employment unrelated to training **H.U.T:** hired not training related

N.E: not employed and looking for an employment

128. The results suggests that within only few months after the training, about four out of five trainees in both type of cottage industries are either self employed in a self established cottage industry (64% of the sample) or working for an employer to perform an activity related to their field of training (24% of the sample). In addition 1.3% of the trainees were hired for an activity not directly related to the training received and 10.7% are unemployed and looking for jobs.. Among those who established their own cottage industries, 67 % are women and among those who were hired, 56% are women. The majority of those working for an employer are doing so on a full time basis. The self employed are on a part-time basis as the PA/Gs are deploying only 50% of their production capacity and individual cottage industries only 40%. The unemployment rate among trainees in the sample is 10.7 % which is one fourth of the overall unemployment rate of 43% for Thi-Qar governorate. About one out of five people trained is unemployed and still looking for a job. The evaluation team considers that a ratio of 4 out 5 of trained beneficiaries are self employed or hired to perform an activity related to his/her training field is an indicator of high rate of success in employment and income generation.

129. In addition to the quality of training received, the timely distribution of start up toolkits was considered unanimously by the majority of individual and PA/Gs respondents as an essential element in establishing rapidly their own cottage industries. About 13%.of the individual recipients of toolkits acknowledged that they sold their toolkits for reasons for poverty and lack of access to finances to buy raw material to start a business. All the respondents also declared that the lack of continuous coaching and the non availability of

financial, marketing and business management support services are seriously threatening their nascent cottage industries micro-enterprises.

5.3.4.4 Impact

130. Strengthening human assets and social capital. These are considered among the first levels of impact resulting from training. The vulnerable young men and women trained by the project acknowledge the value of acquired skills and capabilities as useful human assets in their empowerment for enhancing their opportunities to earn an income. Building a collective capacity and promoting participation and gender equality has been recognized by the active members of PA/Gs as empowering social capital.

131. Improvement of livelihoods It is premature to assess and measure at this stage of self establishment of cottage industries the impact of beneficiary training on livelihood improvement and incidence on poverty reduction. It is evident that some productions of goods and services and sales are taking place, but the productive capacity of the established cottage industries is only used at 50% of its potential in the case of PA/Gs and 40% for the individual cottage industries They are both in a vulnerable start up stage and their viability is endangered by the lack of financial, marketing and business management support services.

132. Nevertheless, the survey provided some preliminary indications on the level of sales generated during the first 6 months of 2007 for a group of 23 individual beneficiaries who established home based cottage industries and accepted to provide information on the volume of their sales. The total cumulative sale of the group for the 6 months is estimated at US\$ 5900 corresponding to an average of US\$ 250 per individual beneficiary. This result does not allow making validated judgment at this point in time.

5.3.5 Distribution of start up toolkits to individual beneficiaries and production equipment to PA/Gs.

133. In addition to training, the distribution on grant basis of start up toolkits (TK) to individual beneficiaries and a set of production equipment to cottage industries PA/Gs as start up capital is a fundamental mechanism adopted by the project to empower the target group and facilitate the early establishment of income-generating cottage industry micro-enterprises. For the individual beneficiaries, the toolkits are granted on a competitive basis to the best graduates of each training module. Table 5 below provides the distribution of toolkits to individual beneficiaries by type of cottage industry for non food and food.

Table 5 **Distribution of toolkits to beneficiaries** (As of 31 October 2007)

| Industry | TK purchased | TK distributed | % distributed |
|---------------------|---------------------|-----------------------|----------------------|
| Non Food | | | |
| Welding | 65 | 65 | 100% |
| Agro-mechanic | 65 | 57 | 88% |
| Blacksmith | 50 | 50 | 100% |
| Wood work | 65 | 60 | 93% |
| Sewing | 140 | 87 | 62% |
| Spinning/weaving | 50 | 0 | 0% |
| Sub-total | 435 | 319 | 73% |
| Food | | | |
| Date | 50 | 50 | 100% |
| Fruits & vegetables | 85 | 85 | 100% |
| Dairy | 140 | 100 | 71% |
| Sub-total | 275 | 235 | 85% |

| | | | |
|--------------|------------|------------|------------|
| Total | 710 | 554 | 78% |
|--------------|------------|------------|------------|

5.3.5.1 Outputs and outcomes

134. Non food industries. The procurement and distribution of toolkits covered all types of industries except for pottery and reed furniture making for which tools are simple, inexpensive and available on the local market. As of 31 October 2007, over 73% of the 435 toolkits purchased for non-food industry are distributed and the distribution process is still on going. The distribution covered beneficiaries from all 5 districts.

135. Food industries. The procurement covered the 3 categories of food cottage industries of dates, dairy and fruits and vegetables. A total of 275 individual toolkits were on stock of which 85 % were distributed but the training activities are still taking place. It is also expected that by the project closing date, the remaining of the toolkits will be distributed.

136. It should be highlighted that as the number of purchased toolkits is higher (68% of the total) for women based cottage industries, the chances are higher for female beneficiaries to receive a toolkit. For both non food and food cottage industries, about 10% of interviewed individual beneficiaries in the sample survey declared they received the toolkits on a timely basis upon the completion of their training and for 90 % of them the delay in receiving the toolkits was long and ranged from one to over six months after the completion of training. This delay was explained to the evaluators by the fact that only the best performing trainees are awarded with a toolkit, hence a certain selection process and time is needed between the end of the training courses and the distribution of the toolkits. The delay in the distribution of toolkits in the food industries (still ongoing during the field survey) was furthermore compounded by the late start of training activities as a result of the delayed rehabilitation work of the VTCs. The PA/Gs received their equipment within reasonable delays.

5.3.5.2 Impact

137. Access to physical and financial assets. The provision on a grant basis of start up toolkits to individual beneficiaries and a set of production equipment to PA/Gs for collective use, have been a significant contribution by the project to physical asset formation. It should be highlighted that the monetary value of individual beneficiary toolkit is significantly lower than the monetary value of the share in the collective equipment for each PA/G member. In addition, in having access through the project to a free working space for one year, the PA/Gs have been overall largely assisted compared to individual beneficiaries. As by design, the project did not include a component on the promotion of financial services, therefore it has no contribution to financial asset formation and no policy influence in this area.

5.3.6 Establishment of Production associations / Groups (PA/Gs)

5.3.6.1 Output

138. The project target of establishing 15 cottage industries PA/Gs in major districts and sub districts to be located on the basis of availability of raw material and access to markets proved to be a challenging innovation. The process involves several and complex clearances, time consuming and bureaucratic in the prevailing weak institutional set up in Iraq. As of 31 October 2007, ten PA/Gs are legally registered, of which nine are operational, and one had to be dissolved. Four additional PA/Gs are undergoing registration formalities and are expected to become operational before the end of the project. The field survey focused on five PA/Gs operational at the time of the interview. Table 6 presents their distribution by type of industry and location.

139. All PA/Gs are of recent establishment with the oldest one registered on 31 October 2006 and the youngest one on 3 October 2007. The average size in terms of membership is

10 beneficiaries It should be noted that out of the 9 active PA/Gs, 8 have only women as members and are typically female based activities (sewing, food processing and carpet making)

Table 6 Distribution of PA/Gs by type of cottage industry and location
(As of 31 October 2007)

| Name/industry | location | members | Registration | status |
|---------------------------|---------------------|---------|--------------|--------|
| Ur sewing * | Nassriya District | 8 | Oct 2007 | active |
| Al Nahda sewing* | Bateha Sub/district | 15 | March 2007 | active |
| Eslah date processing* | Eslah Sub/district | 12 | April 2007 | active |
| Al Mustakbal wood work* | Shatrah District | 9 | March 2007 | active |
| Al Amal carpet making* | Garaf Sub/district | 9 | April 2007 | active |
| Shabab Nasiriya welding | Nassriya District | 14 | Dec.2006 | closed |
| Shatrah fruit & vegetable | Shatrah District | 9 | June 2006 | active |
| Tadamon carpet | Nassriya District | 10 | September 07 | active |
| Nasr Fruit & vegetable | Nasr-Shatra | 10 | October 07 | active |
| Shatrah dairy | Shatrah district | 10 | October 07 | active |

____* PA/Gs interviewed

Profile of the PA/Gs

140. The establishment process of PA/Gs involved a close dialogue between local districts and sub-districts City Councils and project management. The selection of membership was guided by the principle of ensuring a cohesive group. All members of the PA/Gs benefited from project training. The president of each PA/G and the financial/procurement officer are elected democratically. There is no membership fee being paid, but the principle to establish an annual membership fee appears to be acceptable by members.

141. The available physical assets of the PA/Gs are composed of (i) a donated set of production equipment as a start up capital for use by all members; and (ii) free access to working space rented by the project for a maximum of one year of operation. With the exception for Al Mustakbal wood work PA/G that purchased at its own cost some additional production tools, none of the others were able to buy additional equipment. The business management model applied by the PA/Gs is based on co-ownership of assets and outputs with cost and profit sharing among members.

5.3.6.2 Outcome and impact

142. The interviewed five operational PA/Gs recognized that the equipment granted is of advanced technology, and along with the free provision of working space, played a critical role in making their associations operational. The equipment is used effectively in the production of goods and services and helped to generate some sales. Considering that 2007 is a start up year the monthly sale as of 31 July 2007 is low for 3 PA/Gs and modest for 2 others (wood work and sewing). Al Mostakbal carpentry/wood work association introduced an innovative line of service by providing furniture repair and maintenance services at clients' households. The production quality of the 2 PA/Gs Al Nahda sewing/garment making and Eslah food processing gained a good reputation among customers. As of 31 July 2007, only 50% of the potential production capacity of each PA/G is deployed for the following main reasons: newly established PA/Gs, severe price competition from lower quality imported goods, and high frequency of power cuts

143. **SWOT analysis of PA/Gs**

Strengths:

- Availability of modern equipment to produce competitive goods and services.
- Members commitment and motivation
- Production Associations/Groups led and managed by women.

Weaknesses:

- Lack of access to financial facilities for investment loans and operating expenses to buy raw material
- Limited access to markets.
- Bureaucratic and lengthy procedures to get PA/Gs registered
- Difficult to plan and assure establishment of a pre-determined number of PA/Gs, given that the formation of a group is largely dependent on internal group dynamics of the members which the project staff has only limited influence on.

Opportunities:

- Advantages of specific Iraqi events for which there is a high demand for goods that can be produced competitively by PA/Gs such as: clothes and uniforms for students, specific clothes for religious and social events specific food ; and increased demand for office and household furniture as a result of the construction boom in Thi-Qar Governorate,

Threats:

- Shortage of spare parts and related high prices
- Low production level resulting from shortage of working capital
- Continuation of the ongoing trend of daily power cuts for long hours
- High cost of fuel to run generators.

144. It is clear that the weaknesses of the PA/Gs and the threats being exposed to are diverse and complex and may often hinder the PA/Gs to take advantage of their strengths and the opportunities at hand.

VI. ASSESSMENT OF PROJECT PERFORMANCE

Project framework and concept

145. Making an appropriate assessment of the project performance means to be always aware that this project has been implemented under particularly difficult conditions. Since the authors of this report have not experienced these conditions directly they may sometimes have neglected them in their judgment. The evaluators would therefore like to recall in this introductory paragraph briefly some of the incidences related to the **security situation** which they experienced or which were brought to their attention. – When inquiring about the follow-up of the recommendation made in the Needs Assessment Study to liaise with DFID and GOAL in Nassiriyah, the PM told us that both organizations pulled out of the region after the bombing of the UN compound and because of the deteriorating security. When getting explanations for delays in shifting equipment from one place to another, we were reminded by him that the project was quasi be implemented under war conditions with several parties, tribes, and offices interfering. During the meeting in Amman the NPC told the evaluators that sometimes he cannot respond in English and has to switch to Arabic when somebody phones him from Amman, Rome or Vienna, because some people would easily suspect an English speaking person to be a spy. Further he mentioned that it is not advisable in the presence of uneducated people to say that one is working for the United Nations, as many people do not know the difference between the United Nations and the United States. It was also the NPC who explained it is safer for him not to stay in the same place for more than 20 minutes. The last incidence to be mentioned here shows that we have all the reasons to have respect for people who are taking risks in implementing project activities in Iraq. The company constructing the training center in Al Qorna received threats and one relative of the manager was kidnapped and eventually killed.

146. It has been shown that a particularly large proportion of Thi-Qar's population is seriously affected by the recent historical events in Iraq, and that the project has been justified by claiming it would restore the livelihood of thousands of people within a short period of time. At the same time planners looked beyond the present emergency-like situation and saw the need to strengthen institutions to fulfil their development function in the medium and long-term perspective. The **project concept** appears to reflect these two concerns. It tries to improve the income and living conditions of poor and vulnerable target groups through short-term technical training, and to reconstruct and equip vocational training centers⁵⁸. These two areas of interventions are combined by pursuing an interlinked, sequential approach: investment into the building infrastructure and equipment of VTCs with simultaneously strengthening the VTCs' trainers (institution building/development aspect), followed by short-term training of the target groups and equipping them on a grant basis with toolkits for becoming (self-)employed ('emergency assistance'). This sequence appears to have caused problems since the two types of interventions have different target groups, follow different logics, time frames and sustainability requirements and are hence not fully compatible. The evaluators believe that in spite of substantial achievements, the dilemma of the project, planned to last only for two years, has been that (it was believed by people involved in steering and managing the project) there was no alternative to the sequence *rehabilitating the VTCs* and use them subsequently for *training beneficiaries*.

147. The project document had its flaws and shortcomings, many of which could be overcome in the early phase of the project. Some had repercussions on the implementation of activities. The **basic intervention logic** of the project has been displayed in the diagram 2 in the chapter on Project Planning. The evaluators believe that looking back at the project's

⁵⁸ The dairy plant is probably the most flagrant example of diversion from an emergency to an industrial development concept.

outputs and achievement, this means-ends relationship (as far as it could be verified) has proved to be valid. At the same time they think that several means have been neglected because of limitations in design and resources made available or because of the deteriorating security situation which was not anticipated (see *critical assumptions* in the project's logframe).

148. The intervention carries the title '**cottage industry**'. Only two cursory attempts were found in the major documents of the project to define the term⁵⁹. Looking at project activities and their effects, it appears that **employment** is the key objective, whether it is self-employment, engagement in family-operated enterprises, employment in micro- or small-scale industries, or work as a member of a processing association/group. These different roads to making a living seem to require different knowledge and skills which do not have been studied and catered for thoroughly until now. Increasing the employment capacity of MSSEs would certainly be an alternative or rather a parallel effort worth trying.

149. Table 7 provides an overview of the project performance by category of output using the indicators of relevance, effectiveness, efficiency, impact and sustainability, measured qualitatively on the basis of the following scale: high, substantial, modest, limited, likely and unlikely

Table 7 Performance rating by outputs

| Output | relevance | effectiveness | efficiency | Impact | sustainability |
|------------------------|------------------|----------------------|-------------------|---------------|-----------------------|
| Reno. VTCs | high | substantial | substantial | modest | modest |
| Tr. of trainers | high | limited | modest | substantial | modest |
| Tr. material | high | substantial | substantial | substantial | substantial |
| Tr. Beneficiary | high | substantial | substantial | substantial | modest |
| Dis. toolkits | substantial | modest | modest | modest | unlikely |
| PA/Gs | modest | modest | limited | limited | unlikely |

Reno: renovation, **Tr:** training, **Dis:** distribution,

Relevance of the project

⁵⁹ Needs Assessment Study: '*Cottage industries are not wide spread in Thi-Qar, ... most cottage industry activities in the urban areas consists more of micro industries with an owner and up to 10 employees rather than family-operated cottage industries.*' - Minutes of the third PSC meeting: '*This is not a job creation project (instead, the project is training beneficiaries for starting their own business), and should not be considered as training the people to prepare them for jobs in other industries or public offices. It is a training oriented project aimed at improving peoples skills and ability to make their own living from micro and cottage industries of their own.*' – American Heritage Dictionary: '*1. A usually small-scale industry carried on at home or out of the home by family members using their own equipment. 2. A small, loosely organized, yet flourishing complex of activity or industry.*'

150. Overall, the **objectives** of the project and related outputs are judged to be highly pertinent to national and international programme frameworks for Iraq as well as UNIDO and FAO mandates. The project addresses both the GOI National Development Strategy (NDS) and the UN assistance strategy with respect to employment creation, sustainable food production and income improvement of vulnerable groups in rural and urban areas. As part of the UNDG-ITF and members of the UN Country team, UNIDO and FAO have been active partners in the UN's programming for Iraq since March 2003 and in the subsequent adoption of the Cluster methodological approach to development in the country. The project is considered a central component of Cluster A. In addition the project is relevant to the achievement of Goal 1 (eradication of extreme poverty and hunger) and Goal 3 (promotion of gender equality and empowerment of women) of the Millennium Development Goals (MDGs) in Iraq.

151. The approach puts a lot of **emphasis on training**. One may argue that self-employment as any other commercial activity needs to be designed from the market end. Although this has been a criterion for selecting the most appropriate cottage industry activity during the needs assessment study, simple market research, market linkage activities and development of customer relations have not been really dealt with under the project. Likewise other important areas such as policy framework and regulations, as well as microfinance have been neglected. It was probably not feasible to deal with all these issues in a short project which had primarily emergency and pilot functions. Yet, the limitations of the approach have to be kept in mind if one looks at the project's relevance.

152. How do **beneficiaries assess the relevance** of the project for improving their livelihoods? Being asked whether the project contributed in any way to starting their business, respectively to get the present **employment**, 56 beneficiaries (to whom this question applied) answered that it definitely had helped and 2 said it had helped them to a certain extent; there was not a single one who thought that the project had not helped.

153. Of those beneficiaries who received a **toolkit**, 29% considered its contribution to the success of their business 'high', 37% looked at this as being of rather minor importance, with the rest being undecided. Some 70% thought that receiving the toolkit was clearly less important than receiving the training.

154. With respect to **income**, the beneficiaries who were employed after training were asked whether the support received through the project had any positive influence on their present salary level? 55% argued that there was such influence and 39% called this influence even 'substantial'. The rest argued that there was simply no change. Looking at the income assessment of all 90 people interviewed, 70 said that they received more income now due to the project support.

155. We wanted to get an idea also on the **relevance of the increased income** of individual beneficiaries **for the household** they live in (average size in sample is slightly more than 10 persons per family). The question was therefore, how much is this incremental income compared to the overall income of the total household income? The answers have a range from 5-50%, and the average is almost 20%.

156. Judging the project's relevance only from the **number of individuals and households effectively reached in Thi-Qar** directly through training and toolkit distribution, one has to acknowledge that it is rather low. The FAO Household Survey undertaken in Iraq in late 2003 estimated the number of vulnerable households in the governorate to be about 11000. The project having trained about 1282 individuals can be seen to have reached thereby approximately 11.7% of the vulnerable households of Thi Qar⁶⁰. As the percentage of people who started a business or found employment as a result of being strengthened

⁶⁰ As we have seen earlier, the project succeeded in reaching its target group.

through the project is some 80%, one may conclude that approximately 8% of the vulnerable households, i.e. ca. 870 households or, assuming an average household size of 9 persons, some 7,900 disadvantaged people can be seen to have benefited from the project until now. This number can increase steadily if cottage industry training activities continue beyond the project completion.

Ownership

157. The **GOI** demonstrated a strong **ownership** of the project during its implementation. This is reflected principally by (i) the substantial awareness of the project's activities by the three counterparts' ministries and Thi-Qar governorate and their close cooperation through their high level representation in the PSC meetings and deliberations (ii) the significant in kind and financial contribution by MOLSA and MOA through the provision of 3 VTCs and their operating cost in addition to trainers and their salaries. The project had to incur only some incremental operating cost not eligible to the VTCs budget; (iii) the key role played by the City Councils at Governorate, districts and sub-district levels in the selection process for targeting the vulnerable groups; (iv) the internalization by the trainers of project course syllabi and training material as demonstrated by their extensive use as a reference to improve the training programmes of the counterpart ministries; and (v) the strong identification with the project by the VTCs managers, trainers and trainees as expressed during the field survey.

158. One constraint for ownership at this level has been the variety of ministries involved in **cottage industry**. **It is not housed well** in any of them, meaning that there is no section, service or department that holds sole responsibility and deals specifically with cottage industry development. The envisaged inter-ministerial committee can be seen as an important step in giving the subject more weight at national level.

159. It is, however, premature at this stage to assess what will be government ownership of the **training** activities and approach after the project closing date of 31 December 2007. A reliable indication for this continuation is the insertion of 'project' cottage industry courses into 2008 work plans and budget of the VTCs. The evaluation team believes that more support to the VTCs in a follow up phase or through cottage industry projects II, III and IV would enhance Government's ownership and identification with the project approach and its replication.

160. The **strongest ownership** feeling can probably be found at the level of **trainers** at present, especially if they are allowed and enabled to monitor and coach their trainees. They have become subject matter specialists in their cottage industry field, they know the training material produced under the project, they can handle the equipment, and, last but not least, they have realized what difference a cottage industry business can make in the life of their former trainees.

161. The **weakest ownership** feeling can probably be found at the level of MSSEs, i.e. in the **private sector**. There was only little involvement of existing enterprises in activities such as definition of training needs, selection of trainees and on-the-job training. It seems they were only briefly contacted during the needs assessment study contracted out to consultants. Some people may argue that typical cottage industry activities are characterized by self-employment, and that the objective was not to train people in order for them to become employees in local processing industries⁶¹. However, the actual employment

⁶¹ The third PSC meeting stressed in August 2005 that *'this is not a job creation project (instead, the project is training beneficiaries for starting their own business), and should not be considered as training the people to prepare them for jobs in other industries or public offices. It is a training oriented project aimed at improving peoples skills and ability to make their own living from micro and cottage industries of their own.'*

situation after training tells us that roughly a quarter of the beneficiaries who got a chance to practice their newly acquired skills were hired by MSSEs. This seems to suggest, there are job opportunities which should be enhanced by involving potential employers more strongly in the future.

162. The statement of the MoLSA and the MoA for their interest in this new programme can be taken as an evidence for ownership of the concept of cottage industry development. Also, the letter of the MOPDC copied to evaluators can be taken as a strong indication for **GOI's identification** with the concept. It states clearly demand for such a programme, GOI's willingness to establish a national steering committee, and her intention to mobilize further funding. Also various city councils have expressed their gratitude and appreciation for the project. This is worth noting since the needs assessment report argued that local authorities had still the belief that the project would provide assistance for the establishment of larger mechanized processing plants.

Efficiency

163. The project benefited from a qualified, stable project management team composed of: (i) two experienced successive CTAs based in Amman; and (ii) a NPC highly committed, and knowledgeable of the local realities, operating from Nassriya. The management team was ably supported by specialized external consultants for technical matters; senior programme managers and internal expertise at UNIDO and FAO headquarters for coordination and quality control; and a high level PSC for oversight and governance.

164. The **major constraint** for a more efficient and effective project was perceived as a design weakness by parts of the management. When there was a change in CTA at the beginning of 2007⁶², the departing one emphasized in his end-of-assignment report: *'Above all, the **delay of the construction** of the vocational training centers ... has resulted in delaying all the activities of the food processing part of the project. ... The critical milestone in the project is establishing the vocational training center, without it, it would not be possible to start the other main activities ... From the preparation of the design and BoQ⁶³ to completing the building, it has taken 20 months. This is too long for a project lifetime of two years!* Recognizing the difficulties that the delay of civil works has caused, the evaluators wonder whether this can be attributed solely to design weaknesses. First, the construction/rehabilitation of training centers was not foreseen at the project formulation stage; and secondly, it seems to have been mistaken as a *critical activity*⁶⁴ for too long. As the CTA recognizes on the same page: *'It would be prudent to start the training of the beneficiaries at temporary training center, while trying to expedite the activities related to the construction process.'*

165. Many months passed from the date the PSC took the decision on a **temporary venue** for the food related training to its **realization**. The major reason for this was the disagreement of the counterparts from Al-Qorna who did not allow project staff to transport the equipment for dates, fruit and vegetable processing from Al-Qorna, located in the Governorate of Basra, to Nassiriayah, the capital city of the Governorate of Thi-Qar⁶⁵, the equipment was planned to be brought back once the VTC in Al Qorna would be ready. The central department of the MOA had to intervene to solve the problem.

⁶² The transition was facilitated by a well organized overlapping of assignments for a short period

⁶³ Bill of Quantities

⁶⁴ A 'critical activity' according to the Project Evaluation Review Technique (PERT) or Critical Path Analysis is an activity that must not be delayed, since delaying it would mean that the project cannot be completed in the time foreseen as other critical activities cannot start until it has been completed.

⁶⁵ Although it was planned to bring the equipment back, once the VTC at Al Qorna was completed.

166. Overall, many of the **project outputs** were delivered at various levels of set targets and quality but often with **delays**. The need assessment survey on the identification of cottage industries and project sites, the selection and training of trainers, the selection of the vulnerable groups as project beneficiaries, and the development of training material were completed without excessive delays. The completion of civil work for the VTCs, the procurement of tools and training equipment, the training of beneficiaries and the subsequent establishment of individual cottage industries and PA/Gs experienced long delays. The mentoring support however was a late starter with a limited capacity involving as of 30 October 2007 only 7 mentors for 11 types of cottage industries and over 1200 trainees. On the whole, the efficiency of the project outputs is judged by the evaluation team so far as limited for the establishment of PA/Gs and beneficiary's mentoring, modest for training of trainers, distribution of toolkits and establishment of individual cottage industries, and substantial training material and training of beneficiaries.

167. The setting up of **cottage industry community centers** did not materialize. Part of their envisaged function was however taken up by the VTCs. A reason for dropping the idea of community centers was the project's unforeseen absence 'on the ground' due to the security situation. Community centers in each of the target communities were simply not feasible any more. This also forced the project to limit the number of centers from which to work in order to keep operations manageable.

168. There is **collaboration with other international agencies**, but since their presence in Iraq is practically limited to national staff, it is presently only consisting of meetings outside Iraq such as the ones at cluster level in which the Project Manager participates. In these meetings there is an exchange of information, progress reports and newsletters. In the past, joint WFP-FAO food security assessments were held. With WFP, FAO has signed an agreement for logistics cooperation and facilitation, and for civil works assistance was sought and received from UN Habitat. The authors of the needs assessment report had advised project management to liaise with DFID and GOAL in Nassiriyah for collaboration with NGOs but these agencies left the country because of the security situation.

169. **Cooperation between UN agencies** is of course most visible in the joint project implementation by **UNIDO and FAO**. While FAO had started promoting the idea in the early stage, UNIDO had the necessary access to funds; while FAO had the facilities for a joint office in Amman, UNIDO had no administrative difficulties to make arrangements with a private sector training provider in Tunisia. Whereas FAO designed and constructed both the food and non-food VT, UNIDO in return made available over 270,000US\$ from their budget for food training courses in the field.

170. Efficiency **problems** had to be overcome, **and some challenges** remain. For FAO, the requirement to report in UNIDO's cost codes has been a problem. This has required a lot of times as there are rather complex financial administrative procedures. **FAO and UNIDO systems** cannot be easily 'translated' one into the other⁶⁶. For Cottage Project 4 onwards, this has been solved, since both agencies get their funds directly from ITF, and consequently also report directly to ITF. FAO and UNIDO administrative and financial procedures at field level are different, which is not always evident to their Iraqi counterparts, their national staff, and even to CTAs. Since the staff, and the CTA in particular, as per his ToR work for both organizations, especially the CTA has to do a lot of double work, operating in two systems, e.g. reporting to UNIDO as well as FAO. In principle, the collaboration was assessed to be very good by staff of both agencies. In the meantime, there are four cottage industry projects now that are, respectively will be, implemented jointly.

⁶⁶ For instance, FAO has all training activities under one single line 'training', which have to be split up manually into three UNIDO lines 'fellowships', 'study tours' and 'in-service training'.

171. Looking at efficiency of implementation questions have to be answered such as 'Were only the absolutely necessary project activities carried out in order to produce the expected outputs?' and 'Was the maximum of outputs produced with given resources?' The evaluation team is not sure whether the **study tour for Iraqi government officials** to Europe was a necessary activity to produce the expected outputs. No report on that tour was mentioned or made available to the evaluation team which could possibly have justified spending resources for this activity. It has been pointed out by management that the cost involved was only about 12,000 USD which included participants participation in the Bologna international fair on agricultural machinery and also a visit to Vienna for working sessions with the UNIDO management. The tour was also considered an element that strengthened counterparts' participation in equipment selection; interacting with the outside world and getting to know new technologies were brought forward as additional justification.

172. The evaluators look at the **needs assessment study** as a valuable source of information which they believe has not always been fully exploited. For instance, a large number of MSSEs has been identified and should be used at least in the future to contact these enterprises on issues related to training needs, and as potential on-the-job training providers, etc. Likewise, the report had suggested a number of small feasibility studies on additional cottage industry activities that would need to be initiated.

173. In general, the rehabilitated **training centers** seem to be well designed, constructed and equipped. It was prudent to employ Iraqi site engineers for oversight and to use local constructors. Thus, costs for design and construction appear to have been reasonable. The identification of processing lines and the technical specifications were done in collaboration between FAO/UNIDO technical officers, government engineers and consultants. With the exception of the rather expensive dairy plant in Al Qorna which for evaluators appeared to be somehow unsuitable for the ordinary beneficiary training provided under this project⁶⁷, the **processing lines** are judged to be properly dimensioned and adequate for demonstrations to the project's target group. The procurement of equipment through FAO HQs was sometimes felt lengthy and cumbersome.

174. Concerns for more efficiency were also behind the deliberations to train trainers rather at **Iraqi institutes of higher education** than abroad. Although this idea finally had to be rejected, it is certainly valid in the long run. Once the capabilities at Iraqi institutes are strengthened to provide cottage industry ToT, this option would be considerably cheaper and would produce similar results. In this connection it is worthwhile mentioning that the project has built the local capacity to conduct TOT in Nassiryah. The evaluation team has been informed by the PM that it is planned to conduct TOT of other cottage industry projects in Thi-Qar.

175. It seems that the **training materials** were prepared in an efficient way by compiling what has been already available, instead of starting to prepare every manual and handout from scratch. An impressive variety and quantity of training material has been produced. Systematic assessments of the quality and potential relevance of the materials by experts are not available. The large majority of trainers appreciated their quality in general.

176. The average **operating cost per beneficiary** incurred by the project for the type of training delivered is estimated at USD 280 (excluding the cost of renovation of the VTCs, training of trainers and their salaries). The evaluation team considers that this figure of an average operating cost is not remarkably high, but its sustainability could be at risk after the project closing date in case for reasons of cost ineligibility and differences with the regular national training programmes, the two counterpart ministries would not adopt the full

⁶⁷ By mid-November 2007 it has been reported from the field that the test-run was successful and the relevant VTC technicians were trained by the engineers who installed the plant. The plant has obviously been used by trainers for both demonstration and dairy training courses for beneficiaries.

training package of the project. The positive announcement made by the representatives of MOLSA and MOA , at the 21-22 June PSC attended by the evaluation team, to budget as of 2008 for continuing the training activities after project closing is an encouraging indicator of ownership and sustainability.

Effectiveness

177. In this section we look at the project's effectiveness which we understand to be the relationship between the outputs and the objectives. It is addressing the questions to what degree the project was capable of producing the desired effects; to what degree the outputs that have been produced, have also been utilized by the expected beneficiaries/users; and what factors have hampered a more intensive utilization, a stronger response.

178. Interviews suggest that the rehabilitated/constructed and equipped **VTCs** are **not yet working at their full capacity**. This seems to be mainly due to the general shortage of trainers in these VTCs. In addition, funding of operational costs appears to be low. Finally, improved management, especially of human resources of the VTCs could contribute to a more intensive use of the facilities. The issue of the relevance of the dairy plant for training the project's target groups in Al Qorna has been raised earlier. Alternative ways of using the processing line in the future, e.g. for training university students and/or generating income for the VTCs have been discussed. These are certainly useful to be explored but do not match the purpose for which they were purchased.

179. In spite of efforts to ensure that **participants of ToT courses** were **subsequently functioning as trainers** in the VTCs, only one third to half of them did so. This led the evaluators to conclude that the trainers trained were not used effectively for the following beneficiary training programme. Since it has been difficult for the field survey team members to interview these trainers respectively their supervisors, one can only speculate about the reasons as different explanations were offered, e.g. wrong people were chosen; getting a chance to travel abroad was considered an attractive opportunity not only by trainers; Iraqi staff working in administrative position in the ministries had to be convinced of the usefulness of the training and the cottage industry approach; staff was needed not only for direct training but for monitoring training activities, etc.

180. Conducting a workshop on the proper **utilization of the existing training material** was an activity that certainly increased the chances of the compiled/produced material to be used by the trainers in ToB courses. A systematic after-course evaluation of training documents, manuals and audio-visuals and their proper utilization could have further increased chances of their effective use.

181. The evaluation team considers that the **newly created competence of beneficiaries** is a highly relevant output for the empowerment of the target group. This output, however, has only been partially achieved. About four fifth of the targeted number of beneficiaries were trained over 92 % of the extended project life, leaving a very short time to provide effective coaching and guidance to the trainees in the establishment and the consolidation of their cottage industries. The overall effectiveness in terms of timely generation of benefits from training is lower than it could have been for two main reasons. First, implementation was much slower than planned and particularly with regard to the rehabilitation and equipment of the VTCs. Second, the strategy of waiting until the rehabilitation of VTCs is completed to start beneficiaries' training could have been adjusted. A creative solution to attenuate the delay would have been to further outsource some of the beneficiaries' training to existing private cottage industries facilities while the VTCs are being renovated. To some extent this did happen starting January 2007 for the training in food industry using the make-shift location of MOA in Nassriya. Conceptually, the evaluation team considers that complex civil work for rehabilitation and new construction is normally expected in a development project

and not in an emergency intervention. It is clear that the project is designed and financed as an emergency intervention, but evolved during implementation into more of a development operation.

182. The output of 'beneficiaries equipped with basic **toolkits** as start up capital' has been partially achieved. The effectiveness was limited for two main reasons. First, it has been observed that because of multi-stage selection process of the recipient candidates, the toolkits were provided much later than expected after the completion of training, with over 70% provided within three to six months after completion of the training, thus delaying the benefits substantially. Second, while the in kind donation as a start up capital is the right approach in an emergency intervention during a transition from conflict to post conflict environment, it could be questioned with respect to sustainability. A one-time catalytic subsidy can also be integrated into a business plan eligible for loan financing from a commercial bank.

183. The project has certainly made a good start in reaching its objective of creating cottage industry **employment** for individual beneficiaries as a result of the training received and the toolkits distributed, but a lot remains to be done to consolidate the on going effort. On the basis of the results of the surveys presented in table 4 above, 61% of the trained beneficiaries are successful in establishing their individual home-based cottage industries, 22 % are employees in activities related to their field of training and 4% are employees in activities unrelated to their main field of training. All those interviewed believed the training received is of great help. At the same time the lack of access to financial support in the form of loans combined with start up grants seems the major impediment to establish and sustain cottage industries micro enterprises.

184. With respect to the next higher level of desired effects, i.e. **increased income**, it has been shown earlier in the section on relevance that there are certainly project beneficiaries who are doing well in generating income from cottage industry activities in which they have been trained. Since the majority has been unemployed before the project the income makes a difference no matter how small it may be at the beginning. The rather impressive percentage assessments provided earlier on the relevance of income increases may hide that these percentages are based on an extremely low income in absolute terms. It is difficult to quantify the impact in terms of income generation by the newly created micro-enterprises. The sales level generated during the first year of the newly created micro-enterprises is very preliminary and does not allow drawing a validated conclusion. It needs to be seen however whether the positive forecast of the cost/benefit analysis done during the needs assessment study translates into profitable and sustainable cottage industry enterprises for the majority of beneficiaries.

185. With 10 out of 15 **PA/Gs** established as of 31 October 2007, with most of them operational for only a period between 6 to 12 months, the achievement of this output is rather behind schedule primarily because the registration process proved to be complex, bureaucratic and time-consuming. In addition and on the basis of the experience and the problems facing the 5 interviewed PA/Gs, the evaluation team considers that it is too early to assess the viability of this organizational model. The performance of PA/Gs so far has been mixed and the likely sustainability of most of them is rather in doubt after project completion for the following reasons. First, the main driver for those interested by the model is the access to a free set of production equipment as a start up capital and to a cost free working space for the first year of operation. Second their level of self-reliance is weak so far. Third, there is a complete lack of financial, technological and managerial support services to accompany the PA/Gs during their formation years.

Project sustainability

186. Sustainability refers to the likelihood that the achievements of the project will be maintained over time. If we look at the **VTCs** it appears vital that they can rely on a proper budget for operation and maintenance. It seems that this cannot be taken for granted at this stage. When evaluators questioned the approach to train practically only government officials as **trainers**, it has been rightly argued by project management that using Government employees increased chances of sustainability. These chances are indeed better in a situation where private vocational schools simply do not exist. Yet, in a situation of high staff turn-over attention has to be paid that a critical mass of trained trainers is maintained at the centers. The **training material** is still being translated by MOLSA, a good indication for its future use in training. Further development into high-quality standard sets of training material will remain a task for the future. Whether the project **courses** will be conducted at full capacity is not sure⁶⁸. The sustainability of impact of Cottage Industry project I in Thi- Qar Governorate as well as of the on going Cottage Industry II in Sulaimaniyah, Erbil and Kirkuk Governorates; Cottage Industry III in Qadissiya Governorate; and of the potential Cottage Industry IV in Anbar, Hila, Diyala and Kut Governorates, depends on the government capacity to provide essential prerequisites such as policy support for the promotion of a private sector partnership to establish financial, technical, marketing and business management facilities to service the cottage industry sector.

187. For the Cottage Industry Project I, the earlier mentioned prerequisites are not in place to ensure sustainability in the short and medium term. Actually the financial capacity of the individual beneficiaries and the PA/Gs to pay operation and maintenance costs is presently weak. In addition, the GOI ability to continue incentive payments to trainees to cover transportation cost during training, and granting toolkits and equipment to graduates and PA/Gs is another area of concern to sustainability after project closing date.

188. On the whole and referring to table 7, the short/medium term sustainability of the project outputs is judged by the evaluation team so far, as unlikely for two outputs (distribution of toolkits, and of PA/Gs); limited for two (establishments of individual cottage industries and beneficiaries' mentoring); modest for three (renovation of VTCs, training of trainers and training of beneficiaries), and substantial for one (training material)

⁶⁸ The operations officer responsible for the project from FAO's side answered this for the food-related training at Al Qorna: *'The willingness certainly is there, and so is the moral as well as agreed commitment to do so. We must however be realistic: Al Qorna is in a very insecure area, and in particular the road leading up to Al Qorna from Basra is apparently very dangerous. Under these conditions, we can only afterwards see what has come of next year's training programme – or of any programme at all.'*

VII. POSSIBLE NEXT PHASE AND EXIT STRATEGY

189. The evaluation team was not provided with a concept note or a specific proposal to assess a possible follow-up phase of the project. In line with the sustainability issues and essential requirements presented above, **a possible optimistic exit strategy** or transition from a 'short term project mode' of operations and grant financing to a 'post-project mode' and financing from commercial loans, would be for the GOI to engage in a long-term National Programme for the Sustainability of Cottage Industry Sector (NPSCI) that could be initiated in early 2008. The proposed national programme would include (i) a component to be financed by the GOI and potential donors for consolidating the achievements of Cottage Industry I; (ii) Cottage Industries II, III and IV as self financed (by UNGD-ITF) and stand-alone components for their respective targeted governorates, but integrated through the adoption of a unified implementation arrangement and a harmonized approach for cottage industries development nation-wide, and (iii) other initiatives by the GOI and the UNDG-ITF in the areas of marketing financing, lobbying, legislation, etc. to cater for the required support services required for the development of the cottage industry sector.

190. The rationale for the above national programme is, among others, the pressing need to establish a **conducive environment for a sustainable cottage industry sector** through the adoption of enabling policy and institutional changes for the development by the private sector of (i) financial services for cottage industries, such as micro-credit institutions, commercial banks and pro-poor targeted credit lines; (ii) support services, geared to the needs of cottage industries, particularly in the areas of markets, marketing, technologies and business management. This long-term approach for sustainability would not exclude the judicious use of targeted grants to the most vulnerable households in conjunction with commercial loans. The evaluation team recommends that the implementation structures and modalities of the NPSCI would include the establishment of a high-level National Cottage Industry Policy Committee (NCIPC) to oversee the shaping, adoption and implementation of timely policy and institutional changes.

191. The proposed component for the consolidation of Thi-Qar Governorate Cottage Industry I in the NPSCI would finance additional institutional and human assets development, advanced training equipment and training material for the three VTCs in order to: (i) train additional trainers and managers for the VTCs; (ii) diversify the training modules and extend their lengths as necessary to ensure stronger operational and managerial skills; (iii) expand the outreach of the VTCs through the training of 1000 beneficiaries per year in Thi-Qar governorate, using the same training approach developed by Cottage Industry I; and (iv) ensure close mentoring by the VTCs of individual cottage industries and PA/Gs beneficiaries in the areas of technical, entrepreneurial management and market development.

192. It is also recommended that the well-performing and qualified Iraqi project management team of Cottage Industry I, located in Nassriya, be maintained, strengthened with additional staff and logistics and integrated into the implementation structure of the proposed NPSCI.

193. Alternatively to the above optimistic scenario, **a minimum option** would be: (i) for the Government of Iraq to strengthen the management and mentoring capacity of the VTCs and their annual budget to: adopt the training curricula; continue training and mentoring activities including the identification of potential employers for the trainees, and conduct of marketing and feasibility studies for facilitating cottage industries linkages to markets. The ongoing Cottage Industry II, III and IV projects could provide assistance to implement these activities; and (ii) for UNIDO and FAO to continue monitoring the results of

cottage industry I as a living laboratory for cottage industry II, III and IV and providing management support to VTCs.

Completion of current project operations

194. Ensure final updating of existing databases and files on: major project documents (project document, needs assessment, semi-annual reports, self-evaluation report, completion report) ; the three VTCs regarding civil works undertaken, equipment purchased and installed, staffing and management, course programme, APWBs, etc ;trainers (addresses, profiles and CVs, performance assessments, etc; ToT providers; trainees/beneficiaries; training modules, material, course forms, certificates; and the distribution of toolkits

195. Make sure cottage industry training courses and budgets are included by MOLSA and MOA in the 2008 APWBs of VTCs.

196. An important activity that has started rather late in the project's life is the mentoring or coaching of beneficiaries in their businesses. Have the NPC write a short paper on the first experiences with mentoring in Cottage Industry I with emphasis on how this would best be organized and whether it can be combined with monitoring of former trainees.

197. Keep inviting directors of VTCs to meetings organized under other cottage industry projects which discuss strategic development of cottage industry or issues related to directors' specific field of competence or concern.

VIII. Conclusions

198. Financed as an emergency intervention and implemented as a long-term development approach, the project is a success achieved under difficult conditions of transition from a conflict to a post conflict environment. Below are the main conclusions from which the lessons and recommendations are derived. The latter are listed in the executive summary of this report may bear a certain lack of realism since both authors have not been in Iraq recently and therefore lack own experience with the present situation in Iraq in general and in Thi Qar in particular.

Project design

199. The thorough analysis of the quality of the project's design in Chapter 3 of this document disclosed many weaknesses and shortcomings, although the project proposal went through the normal internal review process within UNIDO, FAO and UNDG. The fact that the project can still be seen as relatively successful under the prevailing circumstances should not lead to the conclusion that project formulation is irrelevant. Indeed, the evaluation of Cottage I showed some of the negative consequences of poor formulation for project implementation. This goes beyond the need for embarking on a lot of planning work at the start of the project implementation phase which should have been carried out as part of the planning process. The confused means-ends intervention logic resulted in giving little attention to the achievement of objectives and desired impact. A brief look at the project documents of the cottage industry projects that follow, confirms that this was not solely the malady of a forerunner project. Weak project design is a more fundamental problem. Although it has been widely recognized for long, little seems to have been done in UNIDO, FAO and UNDG-ITF to address it effectively.

Contribution to the National Development Strategy

200. Assessed against the NDS strategic objectives of employment creation and income improvement of vulnerable groups, the project made substantial contributions in the areas of human development assets through training and institutional building through renovation of VTCs and training of trainers. These are considered as important prerequisites for the promotion of a sustainable cottage industry sector.

Project concept

201. In the cottage industry project under evaluation the tension between an 'emergency' and a 'development' approach⁶⁹ has been underestimated. Pursuing both agendas in a partially more disconnected manner might have been more effective: the VTC rehabilitation and modernization is justified in itself, in particular with a view to putting in place the necessary infrastructure for developing the MSSEs once the ongoing crisis will be overcome, but a much more short-term approach tailored towards self-employment would have been more appropriate for the immediate agenda of poverty reduction under the present crisis conditions. The sequential approach should, if possible, be replaced by an approach pursuing the medium-term rehabilitation and modernization agenda in parallel with a short-term and ad-hoc income generation strategy.

Partnership with private sector

⁶⁹ This issue has been discussed intensively with the senior evaluation officer of UNIDO who argued: 'The overarching aims follow different logics, time frames and sustainability requirements and are hence not fully compatible.'

202. The project successfully developed a strong partnership with the public sector through the involvement of three line ministries and one governorate. The spectrum of partnership, however, did not sufficiently involve the private sector, small and medium enterprises and artisans to provide training and to place trainees as apprentices.

203. One major finding of the evaluation was that beneficiaries trained under the project do not only enter into self-employment in the form of a small scale cottage industry business but also find employment in micro- and small-scale enterprises (MSSEs). Although many had been identified in Thi-Qor governorate during the needs assessment study, no further contact has been made with these potential employers in the course of project implementation.

204. Existing private cottage industry enterprises in Iraq are not organised and represented at local, regional and national levels in apex institutions. These could represent MSSEs' interests, and could have become partners of the project in the definition of the profile of people to be trained in organizing courses, and in linking the supply (VTCs) and the demand side (MSSEs). Institutions such as an NGO or a chamber of industry which can play this role need to be identified.

Training of Trainers

205. With few exceptions all trainers who provided the project's cottage industry training to beneficiaries had been sent for training to other countries of the region and beyond. Under the prevailing circumstances this was probably justified. However, such a practice will not be sustainable in the long run as hundreds of trainers need to attend ToT courses. Iraqi institutions of higher education, respectively poly-technical colleges exist which could play a role in ToT for the cottage industry in the future.

Management of VTCs

206. So far the VTCs have played an important role in the project, providing trainers and facilities. Whereas trainers have been trained, the VTCs managers did not benefit from skill enhancement. Coordination, organization and follow-up of the training programme, equipment, financial resources and maintenance of facilities require managerial capabilities that need to be developed.

Donation of toolkits to beneficiaries

207. There is no doubt that in-kind donation of a toolkit to a trainee provides an opportunity to set the basis for initiating a cottage industry activity, it does not, however, always work in practice. While this could work for some basic home food and less complex non-food industries such as woodwork, agro mechanics, sewing and weaving, it is less likely to work in case of relatively complex ones such as welding/fabrication and machine shop operators.

208. While the concept of in-kind donation of toolkits is justified in emergency interventions, the distribution without a combined access to credit institutions for loan-financing of a cottage industry business plan does not ensure sustainability.

Productions association/groups

209. The concept of PA/G has been applied by the project as an innovative feature, but with mixed results. The PA/Gs proved to be an expensive and highly subsidized undertaking, their production capacity is used at 50% at this stage and their chances for long-term sustainability appear questionable.

Policy environment

210. The present policy and institutional environment in Iraq is unstable and does not offer the prerequisites for the promotion of a sustainable cottage industry development led by the private sector. The project was not designed and did not attempt to influence this environment.

Coordination and steering by the GOI, UNIDO and FAO

211. Through its high-level participation in the PSC and its chairing, the GOI played an important coordinating role to facilitate a smooth implementation of the project but with some caveats. In working with newly emerging and bureaucratic government structures and procedures, the project experienced long implementation delays associated with the delivery of some outputs, in particularly with the registration of PA/Gs in Baghdad.

212. As capable partners in project implementation, UNIDO and FAO, in spite of their different administrative and internal procedure, teamed well together and their joint performance was satisfactory in managing the project remotely from Amman. The unpredictable, beyond control and continued deterioration of the security conditions in the field, however, made it difficult for them to provide an effectively monitoring and timely implementation support functions.

Project duration

213. It has become obvious that the envisaged 2-year duration of the project was too short to implement the project even if the rehabilitation/construction of VTCs would have been replaced by the originally planned community-based cottage industry facility centers. The UNDG-ITF regulations limited the project duration to two years, a constraint that had to be accepted if the project was to be implemented at all under the trust fund. It resulted in extensions which the project allowed to meet the informally revised targets.

Duration of training courses

214. While probably sufficient for food processing cottage industry, a one-month course is too short for most of the non-food industries to provide a truly solid and operational vocational training for young, inexperienced and unemployed beneficiaries.

Monitoring and evaluation

215. Efforts have been made by management to monitor and evaluate the project properly. This seems to have been done rather successfully in terms of expenditure recording, activity monitoring and output documentation. The semi-annual progress reports give a relatively good picture of what has happened. Also the database on applicants for training informs well on different characteristics of potential beneficiaries and trainees. At the same time there was insufficient information on progress in terms of achievements of objectives let alone other project outcomes and impacts when this evaluation mission was launched.

216. The project has generally been considered an extraordinary success which has led ministries and city councils, as well as media and the general public to request a replication of cottage industry activities in other governorates of Iraq. Findings of this evaluation confirm this assessment. It will remain important to provide evidence that target groups benefit from similar interventions and that the cottage industries and MSSEs are developing. The increase in the number of projects requires setting up an MIS supported outcome/result-oriented M&E system in the Amman office to facilitate proper reporting on all projects of the cottage industry cluster. Such a system could benefit also VTCs and any emerging coordination facility, e.g. the National Cottage Industry Policy Committee (NCIPC) proposed in this report.

Annex I

Terms of References (Summary)

Independent Mid-term Evaluation of the UNIDO/FAO Project - "PROMOTION OF COTTAGE INDUSTRIES IN RURAL AND URBAN AREAS", FB/IRQ/04/001 (UNIDO Project Number)
OSRO/IRQ/405/UDG (FAO Project Number)

BACKGROUND

The main objectives of the project are: (i) Poverty alleviation in vulnerable households in the district of Nassiriya, and other selected districts of the lower south of Iraq, and (ii) creation of jobs and increasing of income levels of households in the targeted communities through promotion of appropriate cottage and micro industry activities.

The expected outcomes of the project are: (i) establishment of sustainable and profitable micro and cottage industries ranging from food processing through to metal working, woodworking, textiles, weaving, masonry and leather work etc., (ii) establishment of cottage industry associations within targeted communities for related cottage and micro industries; and (iii) rehabilitation and equipping of cottage industry training centers for training the beneficiaries in entrepreneurship development, micro-industries business management and associated technologies.

At the end of the project the capacity of the local public institutes are expected to be strengthened through established training centers and training of trainers. The project should enhance employment and income-generation efforts of the government in rural and urban areas through self-employment of the vulnerable groups. The promotion of cottage industry activity is seen as one the most cost effective means of creating employment and raising household incomes in both the rural and urban areas. The initial types of activities to be targeted are micro-processing of basic foods, simple metal working, wood working, textiles and leatherwork activities. The project expects to reach more than 1500 target beneficiaries.

In line with the national development strategy and the UN assistance strategy, the project should contribute to sustainable food production and value addition and increasing of income of the rural and urban population by facilitating self-employment of the vulnerable groups.

The project is jointly implemented by UNIDO and FAO following an interagency agreement (the first of its kind in the UNDG funded Iraq programme). The project is being implemented by a joint project office in Amman, headed by a Chief Technical Adviser (CTA) and in Nassiriya through a National Project Coordinator (NPC). At headquarters of the two agencies, project managers and focal points are assigned to coordinate the overall planning and implementation of the project. Short-term international and national consultants are recruited for specific activities.

Partners from the Government of Iraq side are the MOA, MOLSA, MOPDC and Thi-qar governorate. MOLSA is currently involved in employment-generation activities in cities. It maintains training facilities for unemployed persons and facilitates the implementation of the non-food processing activities of the project. MOA carries out a rural development programme through its extension and outreach services and is engaged in the off-farm rural employment generation activities. It facilitates the implementation of the food-processing component of the project. MOPDC is collaborating in targeting the vulnerable groups in rural and urban areas and coordinating the facilitation activities of the ministries during the project

execution in Iraq. Each ministry has appointed focal points to facilitate the implementation of the project.

A Project Steering Committee (PSC) composed of MOPDC, MOA, MOLSA, FAO, UNIDO and Thi-qar governorate representatives has been established

BUDGET INFORMATION

| | |
|-------------------|--------------|
| Total Allotment | US\$ 5.013 m |
| Total Expenditure | US\$ |

UNIDO allotment
UNIDO expenditure

FAO allotment
FAO expenditure

EVALUATION PURPOSE

Although the project has already passed its nominal mid-point, in view of the specific country circumstances that have caused delays and uncertainties, the evaluation will be conducted as a mid-term evaluation in order to reflect the actual implementation pace. The focus will thus be on an assessment of the overall design and orientation of the project, on reviewing of the project's implementation status, and on identifying lessons that could be useful for the design and implementation of similar projects in Iraq.

The purpose of the evaluation is therefore to enable the Government, UNIDO/FAO and other project stakeholders to:

- (a) Assess the outputs produced and outcomes achieved as compared to those planned and to verify prospects for development impact and sustainability;
- (b) Assess the efficiency of implementation: quantity, quality, cost and timeliness of UNIDO/FAO and counterpart inputs and activities;
- (c) Assess the cooperation arrangements between UNIDO and FAO, and if applicable make recommendations for improvements;
- (d) Provide an analytical basis and recommendations for the focus and design for the possible replication of the project in other regions (if applicable);
- (e) Draw lessons of wider applicability for the replication of the experience gained in this project in other projects.

METHODOLOGY AND SCOPE OF THE EVALUATION

The evaluation will attempt to determine as systematically and objectively as possible the relevance, efficiency, achievements (outputs, prospects for achieving expected outcomes and impact) and sustainability of the project. To this end, the evaluation will assess the achievements of the project against its key objectives, as set out in the project document and the inception report, including re-examination of the relevance of the objectives and of the design. It will also identify factors that have facilitated or impeded the achievement of the objectives.

The evaluation will be carried out through analyses of various sources of information, including desk analysis, survey data, and interviews with counterparts, beneficiaries, partner agencies, donor representatives, programme managers and through the cross-validation of data. In view of the particular aspects of this evaluation (no country visit by the international evaluation team members), particular attention will be given to the elaboration of a strategy

for field surveys and elaboration of questionnaires. This will include the design of three surveys to be carried out by national evaluators:

- Survey of the material/equipment investment and training centers rehabilitations/new constructions
- Survey among trainers on their qualifications and the scope, content, conditions and quality of training provided;
- Survey among trainees (quality and appropriateness of training and equipment received; conditions under which self employment/business creation took place; to what extent self employment/business creation has been successful; etc)

While maintaining independence, the evaluation will be carried out based on a participatory approach, which seeks the views and assessments of all parties. It will address the following issues:

Project identification and formulation

- The extent to which a participatory project identification process was applied in selecting problem areas and counterparts requiring technical cooperation support;
- Relevance of the project to development priorities and needs;
- Clarity and realism of the project's development and immediate objectives, including specification of targets and identification of beneficiaries and prospects for sustainability.
- Clarity and logical consistency between, inputs, activities, outputs and progress towards achievement of objectives (quality, quantity and time-frame);
- Realism and clarity in the specification of prior obligations and prerequisites (assumptions and risks);
- Realism and clarity of external institutional relationships, and in the managerial and institutional framework for implementation and the work plan;
- Likely cost-effectiveness of the project design.

Project ownership

- The extent to which the project was formulated with the participation of the national counterpart and/or target beneficiaries;
- The counterparts have been appropriately involved and were participating in the identification of their critical problem areas and in the development of technical cooperation strategies and are actively supporting the implementation of the project approach
- Counterpart contributions and other inputs have been received from the Government (including Governorates) as compared to the project document work plan.

Project coordination and management

- The extent to which the national management and overall field coordination mechanisms of the project have been efficient and effective;
- The UNIDO and FAO based management, coordination, quality control and input delivery mechanisms have been efficient and effective;
- Monitoring and self-evaluation has been carried out effectively, based on indicators for outputs, outcomes and objectives and using that information for project steering and adaptive management;
- Changes in planning documents during implementation have been approved and documented;
- Coordination envisaged with any other development cooperation programmes in the country has been realized and benefits achieved.
- Synergy benefits can be found in relation to other UNIDO/FAO and UN activities in the country.

Efficiency of Implementation

Efficiency and adequacy of project implementation including: availability of funds as compared with budget for both the donor and national component; the quality and timeliness of input delivery by both UNIDO/FAO (expertise, training, equipment, methodologies, etc.) and the Government as compared to the work plan(s); managerial and work efficiency; implementation difficulties; adequacy of monitoring and reporting; the extent of national support and commitment and the quality and quantity of administrative and technical support by UNIDO/FAO.

Effectiveness and Project Results

Full and systematic assessment of outputs produced to date (quantity and quality as compared with work plan and progress towards achieving the immediate objectives); The relevance of the outputs produced and how the target beneficiaries use the outputs, with particular attention to gender aspects; The outcomes, which have occurred or which are likely to happen through utilization of outputs.

Prospects to achieve expected outcomes, impact and sustainability:

Prospects to achieve the expected outcomes and impact and prospects for sustaining the project's results by the beneficiaries and the host institutions after the termination of the project, and identification of developmental changes (economic, environmental, social) that are likely to occur as a result of the intervention, and how far they are sustainable.

Cost-effectiveness of the Project

Assessment of whether the project approach represented the best use of given resources for achieving the planned objectives.

Recommendations for next phase, or replication elsewhere (if applicable)

Based on the above analysis the mission will draw specific conclusions and make proposals for any necessary further action by Government and/or UNIDO/FAO and/or the UN or other donors to ensure sustainable development, including any need for additional assistance and activities of the project prior to its completion. The mission will draw attention to any lessons of general interest. Any proposal for further assistance should include precise specification of objectives and the major suggested outputs and inputs.

EVALUATION TEAM

The evaluation team will be composed of two international evaluation consultant (to be selected jointly by UNIDO and FAO, respectively) and two national evaluation consultants.

The international consultants will be responsible for elaboration of an evaluation strategy, including the design of field surveys and elaboration of questionnaires; guiding the national evaluators for their field work in Iraq; analysis of survey results; gathering of additional information from project staff, collaborators and stakeholders through telephone interviews and other means; and preparing a presentation of conclusions and recommendations as well as a final evaluation report.

- The national consultant(s) will be responsible for carrying out three field surveys (under the guidance of the international consultants), which will provide the main input for the evaluation (see above under IV).

The UNIDO Evaluation Group and the FAO Evaluation Service will be jointly responsible for the quality control of the evaluation process and report. They will provide inputs regarding findings, lessons learned and recommendations from other evaluations, ensuring that the evaluation report is useful for all project parties in terms of organizational learning (recommendations and lessons learned) and its compliance with established evaluation norms and standards.

Evaluation team members should be independent and thus have no previous direct involvement with the project either with regard to its formulation, implementation or backstopping. They should preferably have experience of evaluation.

Liaison with the Iraqi authorities will be provided by an official nominated by the Government of Iraq.

The project office in Amman will support the evaluation team.

TIMING

The evaluation is scheduled to take place in the period from June to September 2007. The assignment of the international evaluators will consist of two phases, a first one in June for devising the evaluation strategy and setting up the field work, and the second in September for analysing the results of the field survey, gathering additional information and preparing the evaluation presentation as well as the final report. Due to security restrictions, the international evaluators will not travel to Iraq.

The national evaluator(s) will commence their assignment with a meeting of the evaluation team in Amman in June 2007, after which they will undertake the field work in Iraq. They will provide interim reports on the field surveys undertaken, as well as a comprehensive final report.

After the field mission, the international team members will come to FAO and UNIDO HQ for debriefing. The final version of the evaluation report will be submitted 6-8 weeks after the debriefing at the latest.

Draft Timetable

| Activity | Time/Place | Actors |
|--|------------|--|
| Desk study of project documents, reports, recent evaluation reports of other projects, etc Elaboration of a strategy for field surveys and elaboration of questionnaires | 1-13 June | International Consultants |
| Meetings with FAO backstoppers and Evaluation Managers (<i>FAO HQ only</i>) | 14-15 June | International Consultants, UNIDO/FAO backstoppers; UNIDO/FAO Evaluation Managers |

| | | |
|---|-------------|---|
| Finalization of a strategy for field surveys and of questionnaires | 16 June | International Consultants |
| First mission to Amman; interviews with project staff of UNIDO and FAO in Amman, participation in the Project Steering Committee Presentation of evaluation approach and instruments | 17-24 June | International Consultants; National Consultants, UNIDO/FAO backstoppers; UNIDO Evaluation Manager |
| Guidance to National Consultants carrying out the field surveys | 18-23 June | International Consultants, National Consultants |
| Field surveys | July/August | National Consultants |
| Second mission to Amman; presentation of analytical report of survey results and discussion with project staff of UNIDO and FAO in Amman | September | International Consultants, National Consultants) |
| Writing of the draft evaluation report | October | International Consultants |
| Submission of draft report to stakeholders for factual verification | November | International Consultants |
| Finalization of report | November | International Consultants |

The International Consultants as well as the National Consultants will be expected to work for at least 30 days (duration to be reviewed once Field Surveys have started) over a period of 3 months. For the International Consultants, this will be divided into 20 days in June (preparatory phase) and another 10-20 days in August/September (analytical/final phase). The National Consultants will work for 8 days in June (preparatory phase together with International Consultants), 24 days in July and August (field surveys), and 8 days in September (analytical/final phase together with International Consultants).

CONSULTATIONS

The mission will maintain close liaison with the representatives of other UN agencies, UNIDO and FAO representatives and the concerned national agencies, as well as with national and international project staff. Although the mission should feel free to discuss with the authorities concerned anything relevant to its assignment, it is not authorized to make any commitments on behalf of the Government, the donor, or FAO.

REPORTING

The evaluation report shall follow the structure given in Annex 1 . Reporting language will be English. The executive summary, recommendations and lessons learned shall be an important part of the presentation prepared for the debriefing sessions in Amman, Rome and Vienna.

Draft reports submitted to UNIDO Evaluation Group and FAO Evaluation Service are shared with the corresponding Programme or Project Officer for initial review and consultation. They may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. The consultation also seeks agreement on the findings and recommendations. The evaluators will take the comments into consideration in preparing the final version of the report.

The evaluation will be subject to quality assessments by UNIDO Evaluation Group and the FAO Evaluation Service. These apply evaluation quality assessment criteria and are used as a tool for providing structured feedback. The quality of the evaluation report will be assessed and rated against the criteria set forth in the Checklist on evaluation report quality.

Annex II

Mission programme and list of organizations and Persons met

| Date | Organizations/Persons |
|------------------------------------|---|
| FAO HQ | |
| June 2007 | Mr. Bernd Bueltemeier, Evaluation Officer Mr. Francois Mazaud, Senior Technical Officer Mr. Rudi Van Aaken, Operation Officer, FAO Mr. Rodrigue Vinet, Field Operations Officer |
| AMMAN | |
| June and September 2007 programme, | Mr. Teame Tewolde-Berhan, CTA-UNIDO-Iraq PSC Secretary and member Mr. Yussur Ghesi, National Project Coordinator, UNIDO Mr. Wigdan Ahmad, Technical consultant, UNIDO Mr. Jukka Merilainen, CTA-Dairy project, UNIDO Mr. Louay Hakki, GOI- MOPDC, PSC Chair Mr. Aziz I. Khalid, GOI-MOA, PSC member Mr. Abdul Hussein S. Nejem, GOI-MOA, PSC member Mr. Guglielmi Giordano, MoFA- Italy, PSC member Mr. Fadel El Zubi, OIC-FAO Programme in Iraq Mr. Rudi Van Aaken, Operation Officer, FAO Ms. Marria Beccerlli, European Union, Amman Mr. Mudar Zahran, US Embassy, Support Unit Mr. Nil Coke, Council, Turkish Embassy Mr. Patrick Forrest, Consultant, UNIDO Mr. Christiano Pasimi, UNIDO, Jordan Ms. Monica Cargo, UNIDO, Jordan Mr. Naif Dorby Wadi, Manager-AI Qorna VTC Mr. Abdel Hadi Ajeil, Manager-MOLSA; VTC, Nassriya Dr. Najah Jaberi, GOI, National Evaluator Mrs. Sudad Temimi, Consultant-UNIDO, Field survey Ms. Narjis Thejeel, Consultant-UNIDO, Field Survey Ms. Lana Khalil, OIC Secretary Mr. Fadel El Zubi, Proj. Mgmt. Team Member Mr. Malek, Proj. Mgmt. Officer Ms. Hala, Proj. Mgmt. Assistant Ms. Randa, Proj. Mgmt. Assistant |
| UNIDO HQ | |
| | Mr. Peter Loewe, Senior Evaluator, UNIDO Mr. Chakib Jenane, Senior Industrial Development officer, UNIDO Mr. Dejene Tezera, the first CTA |

Annex III

References

- Promotion of cottage industry in rural and urban area, "Project document", UNDG/ITF, 2004
- Promotion of cottage industry in rural and urban areas, "Draft work plan-project implementation", UNIDO/FAO, February 2005
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- Back to office report, R. Van Aaken, 30/10/2006
- Promotion of cottage industry in rural and urban areas, "Second Six Monthly Progress Report for the period 1/1/05 to 30/6/05 period"
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- Promotion of cottage industry in rural and urban areas," Minutes of the sixth Project Steering Committee Meeting"
- Promotion of cottage industries in rural and urban areas, "Second mission to Amman" report, Patrick Forest, Mechanical Engineer, August 20005
- Promotion of cottage industries in rural and urban areas, "Training programme, non-food products", February 2006

Technical manual for household level processing of dairy products, FAO

Annex IV

Strategy for Field Surveys and Questionnaires

UNIDO/FAO INDEPENDENT EVALUATION

**IRAQ-Promotion of Cottage Industries in Rural
and Urban Areas of Thi Qar Governorate**

Strategy for Field Surveys and Questionnaires

As of 12 July 2007

Mid-Term Evaluation

IRAQ-Promotion of Cottage Industries in Rural and Urban Areas Field Survey-Approach, Sample and Questionnaires⁷⁰ (For use as guidelines by the national survey team)

Objective

The field survey aims to assess the performance of the project in terms of quality and adequacy of outputs produced which includes human capacity, infrastructure and equipment. In addition there is the intention to collect evidence on the outcome in terms of use that is being made of trainers' and trainees' new capabilities, training material as well as training centers and equipment. To the degree possible, the evaluation team also looks for indications for the expected impact on the targeted rural and urban poor. Four surveys will be conducted by the Iraqi evaluation team members, one on the training centers and the others addressing the three types of beneficiaries using a specifically designed questionnaire for each: (i) trainers, (ii) business associations and (iii) individual beneficiaries as future micro-entrepreneurs or employees.

Sampling approach and sample sizes

Vocational Training Centers Survey (VTC)

This survey aims to assess the timely delivery and quality of the rehabilitation of existing training centers and the construction of new ones as well the timely delivery, the installation and adequacy of training equipment. This survey will cover the 3 VTCs targeted by the project. Annex II provides the survey questionnaire to be filled by the national survey team. (This can be found in the Project File 'Working Papers of the Independent Evaluation')

Trainers Survey (TS)

This survey aims to assess the content, quality and relevance of training both received and conducted by the trainers. The interview sample of 14 is composed of: (i) 18 trainers currently public sector employees at the VTCs represent one third of the total of 54 trainers; and (ii) 2 trainers of the private sector hired as trainer consultants. The interviews will be conducted in teams of 2 national evaluators. In case a trainer who was expected to be part of the sample cannot be interviewed, a proper replacement, if possible from the same training

⁷⁰ Additional instruments not covered here but already designed include: (i) 1st Set of Questions that Yussur Al-Ghezi, National Project Coordinator, may be able to answer; (ii) Questions for Directors of TCs

theme has to be identified. Table 1 below presents the distribution of the sample by type of training theme and gender. Annex III provides the questionnaire for this survey.

Table 1: Sample of Trainers Survey

| Training theme | Total no of trainers (VTC staff) | | | Sample size | | |
|------------------------------|----------------------------------|--------|-------|-------------|--------|-------|
| | Male | Female | Total | Male | Female | Total |
| General training | 24 | 5 | 29 | 4 | 2 | 6 |
| Handicraft | 4 | 0 | 4 | 2 | 0 | 2 |
| Date processing | 3 | 2 | 5 | 1 | 1 | 2 |
| Textile | 0 | 6 | 6 | 0 | 2 | 2 |
| Carpet weaving | 1 | 1 | 2 | 1 | 1 | 2 |
| Food and dairy | 4 | 4 | 8 | 2 | 2 | 4 |
| Wood work (private trainers) | 0 | 0 | 0 | 2 | 0 | 2 |
| Total: | 35 | 18 | 54 | 12 | 8 | 20 |

Individual Beneficiaries Survey (IBS)

This survey aims to assess the preliminary impact of empowerment of the beneficiaries through their access to knowledge and skills resulting from the training and access to an in kind start up asset on grant basis. The preliminary impact indicator at this stage of project implementation will be the progress achieved by each beneficiary in establishing a financially viable cottage industry or the effective access to an employment opportunity in the field of training provided by the project.

The sampling approach chosen is a multiple frame sample method. Stage one is an area sampling from the total of 16 district/sub-district territories where people received support from the Project (one district and 15 additional sub-districts⁷¹) in Thi-Qar Governorate. Agreement on the following selection criteria was reached: (i) large number of people trained in the territory; (ii) a maximum number of cottage industry types represented; (iii) priority given to territories with people trained in food-based cottage industry activities⁷²; and (iv) associations located in the territory. The application of the criteria has led us to select 6 territories out of the total of 16, i.e. one district and five sub-districts. The sample would include beneficiaries from among the most successful trainees who were granted a toolkit as a start up capital to develop a business activity as well as those who were not eligible to such grant. Out of 15 districts/sub-districts targeted by the project, the interview sample would

⁷¹ The two types of territories are non-overlapping, i.e. the district territory is not made up of several sub-districts but is treated as a territory in itself.

⁷² The people trained in food processing technology are purposely over-represented since due to the delay in completion of the training centre in Al Qarna training started late and a comparatively small number has been trained so far which is expected to increase during the last months of the project.

focus on 6 considered as easily accessible given the currently volatile security conditions in the project area. Over 60% of the project beneficiaries are located in these six territories, namely 579 out of a total of 927. In each of the selected district-sub-districts a critical mass of at least 20 beneficiaries were granted toolkits.

In the second sampling stage we have a ‘universe’ (or ‘sample frame’) of 579 trained people who live in the six selected territories. A list can be prepared relatively easily from the database kept by the NPC. This is the sample frame in stage two from which a systematic random sample is derived, stratified by those who received and others who did not receive a toolkit after their training. This stratification is introduced to have a sufficient number of those units with the attribute ‘having received toolkit’ in our sample. Thereby we ensure that we will be able to say for instance whether trained people who received a toolkit are more likely to start a business or find a job after training. Likewise the number of sampling units belonging to the stratum with the attribute ‘received training in food-processing’ is deliberately higher than their share in the universe would suggest.

On the basis of the above a sample size of 90 beneficiaries will be derived allowing for a balanced representation of all types of cottage industries. The selection of beneficiaries within each district/sub-district for inclusion in the sample list will be based on the 2 following criterion:

- ✓ ensure a gender balance
- ✓ allocate a higher proportion to the earliest receivers of training and toolkits to make impact measurement more likely.

Table 2 provides the distribution of the sample by district/sub-district, type of cottage industry, category of trainees with those granted toolkit as well those who did not benefit from such grant. In terms of overall representation, the sample will be composed as follows:

- 15 % of the trainees granted a production toolkit as a start up in kind asset for the non-food based cottage industries
- 5% of trainees that did not benefit from a production toolkit as a start up in kind capital for non-food based cottage industries
- 33% of trainees granted a production toolkit as a start up in kind capital for food based cottage industries
- 11% of trainees that did not benefit from a production toolkit as a start up in kind capital for food based cottage industries
- 17 % of all project beneficiaries would be interviewed when the members of the surveyed business associations are accounted for.

Annex V provides the questionnaire for this survey. (to be found in the Project File ‘Working Papers of the Independent Evaluation’)

Table 2: Sample of Individual Beneficiaries Survey

A. Non Food**1. Trainees benefiting from equipment**

| Industry | Gharaf | Shatra | Bataha | Tarr | Fadliya | Eslah | Total |
|----------------------|----------|----------|----------|----------|----------|----------|-----------|
| Welding | 1 | 0 | 2 | 2 | 2 | 0 | 7 |
| Sewing | 1 | 2 | 1 | 0 | 0 | 1 | 5 |
| Blacksmith | 2 | 0 | 2 | 1 | 1 | 2 | 8 |
| Wood work | 0 | 1 | 1 | 3 | 3 | 0 | 8 |
| Agr. machi. | 2 | 1 | 2 | 2 | 0 | 0 | 7 |
| Sub-total (1) | 6 | 4 | 8 | 8 | 6 | 3 | 35 |

2. Trainees non benefiting from equipment

| Industry | Gharaf | Shatra | Bataha | Tarr | Fadliya | Eslah | Total |
|----------------------|----------|----------|-----------|-----------|-----------|----------|-----------|
| Welding | 0 | 0 | 1 | 1 | 1 | 0 | 3 |
| Sewing | 1 | 2 | 0 | 0 | 1 | 1 | 5 |
| Blacksmith | 1 | 0 | 1 | 1 | 0 | 2 | 5 |
| Wood work | 0 | 1 | 1 | 2 | 2 | 0 | 6 |
| Agr. machi. | 1 | 0 | 1 | 1 | 0 | 0 | 3 |
| Sub-total (2) | 3 | 3 | 4 | 5 | 4 | 3 | 22 |
| Total (A) | 9 | 7 | 12 | 13 | 10 | 6 | 57 |

B. Food**1. Trainees benefiting from equipment**

| Industry | Gharaf | Shatra | Bataha | Tarr | Fadliya | Eslah | Chibiesh | Total |
|----------------------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Cheese & Y | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 6 |
| Date Juice | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 |
| Sub-total (1) | 0 | 0 | 5 | 0 | 0 | 0 | 6 | 11 |

2. Trainees non benefiting from equipment

| Industry | Gharaf | Shatra | Bataha | Tarr | Fadliya | <u>Eslah</u> | Chibiesh | Total |
|----------------------|-----------|-----------|-----------|-----------|-----------|--------------|----------|-----------|
| Date Juice | 1 | 1 | 4 | 0 | 0 | 4 | 0 | 10 |
| Fruit & Veg. | 3 | 5 | 0 | 0 | 0 | 1 | 0 | 9 |
| Cheese & Y | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| Sub-total (2) | 4 | 6 | 4 | 0 | 0 | 5 | 3 | 22 |
| Total (B) | 4 | 6 | 9 | 13 | 0 | 0 | 9 | 33 |
| TOTAL | 13 | 13 | 21 | 13 | 10 | 11 | 9 | 90 |

Business Associations Survey (BAS)

This survey aims to assess the performance, the preliminary impact and the likely sustainability of the “Business Association” (BA) model for cottage industry development in

the Iraqi context. The preliminary impact indicator at this early phase of the BAs would be the progress achieved in their institutional development and the effective use of their capacity for income generating activities.

The survey would cover the 6 actively operational associations that received an in kind start up asset on grant basis, composed of a set of equipment for collective use, individual beneficiary toolkits and access to rented working space for a period of one year. As this is the total number of associations having these characteristics, we are going for what is called a complete enumeration. The total members of the 6 BAs reached 65 as of 31 May 2006. Each BA will be assessed through a participatory group interview to which all members are invited. The unit of investigation is not the individual member but the association. The group interviews will be conducted by two national evaluators, one leading the discussion and the other taking notes.

Annex IV provides the questionnaire for this survey. (to be found in the Project File 'Working Papers of the Independent Evaluation')

Annex I

Typology of training courses delivered by the project as of 30 May 2007

Training of Trainers

1. General training
2. Handicraft
3. Textile
4. Carpet weaving
5. Date processing
6. Food and milk processing

Training of project beneficiaries

Non food

1. Welding:
2. Sewing:
3. Blacksmithing:
4. Carpet weaving
5. Pottery:
6. Reed furniture
7. Agro mechanics
8. Woodworking

Food processing

1. Date processing
2. Cheese and yogurt
3. Fruit and vegetable processing

Annex V

Detailed Analysis Results concerning Project Outputs and Activities

Project Outputs produced shown along a Timeline

| Outputs | | 2005 | | | 2006 | | | | 2007 | | | |
|--|--|------|---|-------------------|---------------------|-----|-----|-----|--|-----|-----|----|
| Preparatory TNA | | ⊗ | | | | | | | | | | |
| VTCs rehabilitated | | | | | | | ☆ | | ☆☆ | | | |
| trainers trained ⁷³ | | 29 | 6 | 4 | | | 8 | | 2 | | 7 | |
| training material | | | | non-food material | food trng. material | | | | | | | |
| total beneficiaries trained: | | | | | 15 | 132 | 126 | 148 | 140 | 414 | 246 | 75 |
| (non-food in black figures ⁷⁴ and food in blue figures) | | | | | | | | | | | | |
| a) | | | | | | 28 | 43 | 15 | 15 | 45 | | |
| b) | | | | | | 30 | 28 | 30 | 15 | 45 | 15 | |
| c) | | | | | | 15 | 26 | 19 | | | | |
| d) | | | | | | 19 | 29 | 10 | 15 | | | |
| e) | | | | | 15 | 40 | | 15 | | | | |
| f) | | | | | | | | 30 | 24 | 30 | | |
| g) | | | | | | | | | 30 | 10 | | |
| h) | | | | | | | | 29 | 14 | 44 | | |
| i) | | | | | | | | | 28 | 56 | 44 | 15 |
| j) | | | | | | | | | 29 | 88 | 45 | 15 |
| k) | | | | | | | | | 76 | 132 | 45 | |
| PA/Gs formed | | | | 4 | | | | 2 | 2 | 2+1 | 2 | 1 |
| toolkits distributed ⁷⁵ | | | | | | | | | 319 toolkits (non-food) 235 toolkits (food) | | | |

⁷³ The third semi-annual progress report covering the second half of 2005 talks of only 43 trainers (accumulative) who received ToT. The table timeline above displays the figures received by the evaluators in November 2007.

⁷⁴ Contrary to the figures received in November 2007 and taken for this chart, the 4th progress report covering the first half of 2006 argues that 167 people have benefited from training programmes in the non-food sector.

⁷⁵ 319 toolkits of 435 purchased have been distributed to beneficiaries; 116 are still in stock, thereof all 50 TKs for spinning and weaving and 53 TKs for sewing, 8 for agro-mechanics and 5 for wood work. – The 3rd progress report talked about equipment that has been purchased for 750 beneficiaries in non-food processing technologies and for 590 individual beneficiaries in food processing technologies (p.6). Later this progress report mentions as an achievement of the last six-month period even the purchase of equipment for 1500 individual beneficiaries. In terms of number of TKs this would have been sufficient for all beneficiaries that (will have) received training. The value for the 590 food TKs was said to be US\$165,000 (2nd progress report, *ibid*).

Comparison between Beneficiaries trained and Toolkits distributed

| Beneficiaries trained in: | Toolkits distributed to beneficiaries: |
|--|---|
| a) welding/metal (146 beneficiaries) ⁷⁶ | 65 of 65 |
| b) sewing/garment making (163) | 87 of 140 (i.e. 53 still in stocks) |
| c) pottery (60) | 0 |
| d) furniture making from reed (73) | 0 |
| e) blacksmithing (70) | 50 of 50 |
| f) agro-mechanic (84) | 57 of 65 (i.e. 8 still in stocks) |
| g) carpet making (40) | 0 |
| h) wood working (87) | 60 of 65 (i.e. 5 still in stocks) |
| i) fruit & vegetables (143) | 55 of 55 fruit processing/ jam prod. 30 of 30 vegetable/ pickling TKs |
| j) date processing (177) | 50 of 50 |
| k) dairy (253) | 80 of 100 dairy product processing tools 20 of 40 incubators for cheese & yoghurt (i.e. 53 still in stocks) |
| Total: 723 (non-food) + 573(food) =1296 | 319 (385) + 235 (of 275) = 554 (of 660) |

⁷⁶ There are some minor differences in the Excel table provided depending on whether one takes the total number of beneficiaries (as done here) or adds up the figures provided in the rows for males and females.

**Project Work Plan prepared by the CTA in February 2005 for the Period Jan.2005 to Apr.2006;
and major activities as they seem to have been carried out during implementation⁷⁷**

| Major Activities | 2005 | | | | | | | | | | | | 2006 | | | | Remarks | |
|--|------|---|---|---|---|---|---|---|---|----|----|----|------|---|---|---|---------|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 1 | 2 | 3 | 4 | | |
| A. Conducting baseline survey <i>Actually conducted:</i> | █ | █ | █ | █ | █ | █ | | | | | | | | | | | | Incl.prepara- tory actions |
| B. ToT - entrepreneurship dev. <i>Actually conducted:</i> | | █ | █ | █ | █ | | | | | | █ | | | | | | | See next page |
| C. Selection of type of C.I.s <i>Actually conducted:</i> | | | | | | █ | █ | █ | | | | | | | | | | See next page; goes on until summer 07 |
| D. ToT - technology <i>Actually conducted:</i> | | | █ | █ | █ | █ | █ | █ | █ | | | █ | | | | | | Excludes civil works |
| E. Rehabilitation of VTCs <i>Actually conducted:</i> | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | See next page; goes on until summer 07 |
| F. ToB - entrepreneurship dev. <i>Actually conducted:</i> | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | Starts wt.site selection |
| G. ToB – processing technol. <i>Actually conducted:</i> | | | | | | | █ | █ | █ | █ | █ | | | | | █ | █ | See next page |
| H. Establishing C.I.s <i>Actually conducted:</i> | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| I. Operation and TA <i>Actually conducted:</i> | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | |

⁷⁷ Reconstructed by evaluators with the help of progress reports. This was difficult in some cases as only major activities have been displayed here to simplify things. In addition it has to be noted that the work plan did not cover the total duration of the project foreseen (namely 24 months) at the time it was prepared; and a 20-month project implementation period that followed (from May 2006 to December 2007) is also not displayed here. 6-month work plans appear in the semi-annual reports. The second progress report (prepared 4-5 months after the February 2005 work plan displays 10 activities for the following six months; about half of the activities mentioned there are not part of the February 2005 work plan. The consistency in work planning and reporting is lacking.

There is a distinction in the work plan for ToT and ToB between *entrepreneurship development* and *technology/processing* which not always took place as separate activities later during implementation; this is particularly true for the training of beneficiaries. The 9 major activities were broken down to 'detailed activities' in the work plan.

Some detailed activities deserve to be mentioned in the following as they have been discussed in this report. Thus, for instance, block B ends with 'assessment and assigning trainees' [means trainers of beneficiaries] ; block F includes the 'preparation of training material'; block H comprises the 'design of the equipment of the local manufacture' (has not happened as foreseen) as well as 'distribution of equipment'; and the only detailed activity of block I reads 'facilitate/link the project activities with micro-credits institutions'(has not happened).

Also it is worth recognizing that some activities which later became important were not mentioned, e.g. in block E *construction and civil works of VTCs* do not seem to have been foreseen in February 2005; likewise *mentoring of beneficiaries* is not included. In addition, PA/Gs are not mentioned at all. The concept of establishing C.I. (facilitation) community centers seems to have been given up already at the beginning of 2005. Working with other agencies or NGOs is not part of this work plan although both had been mentioned in the project document.

In the introduction to this work plan the author says on page 3: 'This work plan does certainly not replace the project inception report which is scheduled for mid-2005 ...'. As has been mentioned, this inception report has never been prepared. It would also have been a good opportunity to justify the changes made.

Major project outputs dealt with in this evaluation report include: VTCs rehabilitated in terms of civil work and processing lines (see block E), trainers trained (stemming from block B and D), training material produced (hidden in block F), beneficiaries trained (part of blocks F and G), PA/Gs formed (not mentioned), toolkits distributed (part of block H activities). Block A and C activities belong together and are preparatory activities which are still closely related to project planning functions.

In block H, the establishment process of cottage industries starts way before the training of beneficiaries in blocks F and G. We consider the process to have started with the selection of beneficiaries for training and not with the completion of the first training round. This has been done for consistency with the original work plan which has as the first two activities of block H 'selection of sites' and 'selection of technology' which indeed started as shown, I am afraid we have to leave it as it is. An explanation in a footnote could perhaps solve the problem.

The work plan has not really been used as a monitoring tool in semi-annual progress reports, as attempted above by introducing a second line which represents the actual time period in which activities were conducted. Milestones reflecting targets of outputs could be inserted and it could be indicated in the remarks field to what extent they have been reached.