

Independent Evaluation Report

IRAQ

Enterprise Development and Investment Promotion (EDIP)

FB/IRQ/07/004 (UNIDO Project Number)



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO EVALUATION GROUP

Independent Evaluation Report

IRAQ

Enterprise Development and Investment Promotion (EDIP)

FB/IRQ/07/004 (UNIDO project number)



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna, 2011

Distr. GENERAL

ODG/EVA/11/R.51

December 2011

Original: English

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of company names and commercial products does not imply the endorsement of UNIDO.

The views and opinions of the team do not necessarily reflect the views of the involved Governments and of UNIDO.

This document has not been formally edited.

Contents

Abbreviations and acronyms	iv
Glossary of Evaluation Related Terms	v
Map of project area	vii
Executive Summary	ix
I. Introduction.....	1
1.1 The evaluation	1
1.2 Evaluation methodology.....	1
1.3 Project summary.....	4
II. Country and project context.....	9
2.1 Baghdad, Erbil and Thi Qar Governorates	9
2.2 UNIDO in Iraq	13
2.3 EDIP positioning and coordination	13
2.4 EDIP implementing partners	14
III. Project planning.....	17
3.1 Project identification and formulation	17
3.2 Intervention logic.....	17
3.3 Project component planning in light of underlying Intervention logic.....	19
3.4 Project logframe.....	20
3.5 Risk analysis.....	21
3.6 Cross-cutting issues	21
3.7 Funds mobilization.....	22
IV. Project implementation	25
4.1 General overview.....	25
4.2 Financial implementation	26
4.3 Management.....	28
4.4 Enterprise upgrading component	31
4.5 Enterprise creation component	37
4.6 Financial facility: Revolving Fund	45
4.7 Counterpart staff training.....	48
V. Assessment.....	55
5.1 Relevance.....	55
5.2 Ownership	56
5.3 Effectiveness and impact	57
5.4 Efficiency	57
5.5 Sustainability.....	58
VI. Recommendations.....	59
Appendix 1: Terms of reference	62
Appendix 2: Key documents consulted	82
Appendix 3: Organizations and persons met.....	86
Appendix 4: Evaluation survey questionnaires.....	87

Abbreviations and acronyms

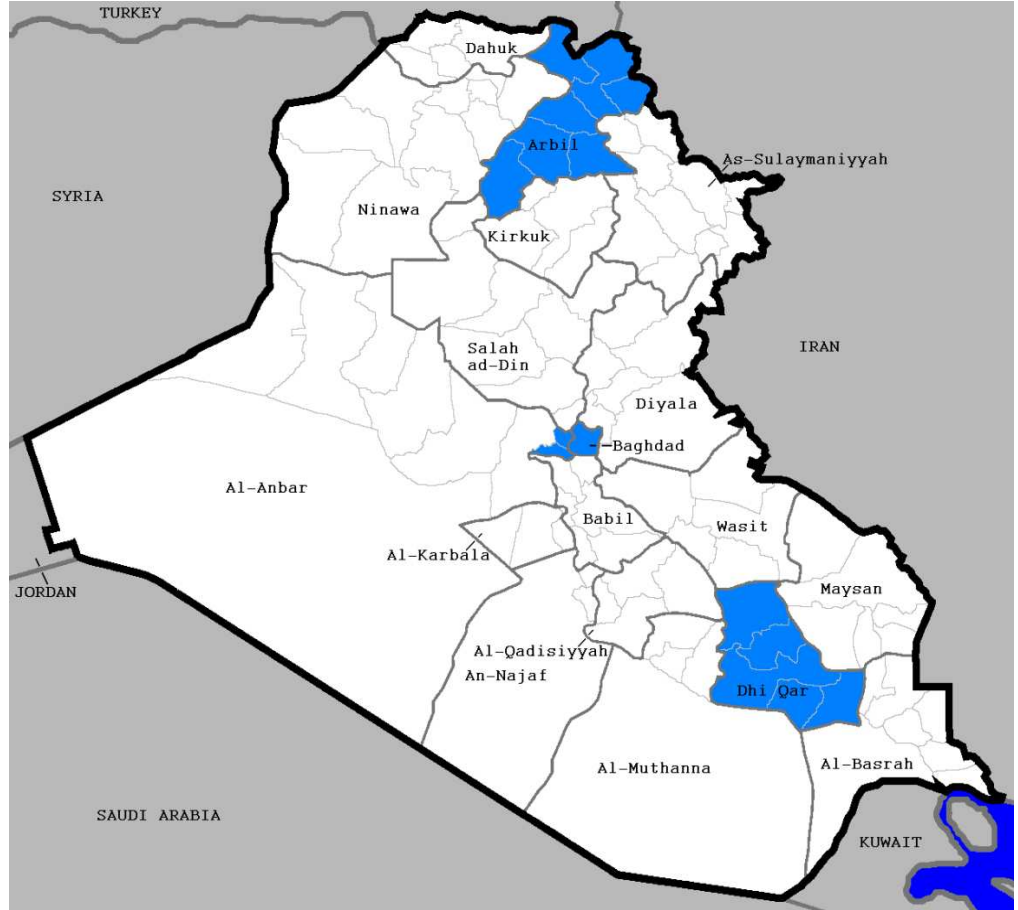
ARCEIT	Arab Regional Centre for Entrepreneurship and Investment training
COMFAR	Computer models for feasibility analysis and reporting
DI	Domestic Investment
EC	Enterprise Creation component
EDICT	Enterprise Development through Information and Communication Technologies
EDIP	Enterprise Development and Invest Promotion - Iraq
EDP	Enterprise Development Program
EDU	Enterprise Development Unit
EU	Enterprise Upgrading component
FDI	Foreign Direct Investment
GoI	Government of Iraq
HQ	Headquarters
IAU	Inter-Agency Information and Analysis Unit
ICI	International Compact with Iraq
IPC	International Project Coordinator
IPPA	Investment Project Preparation and Appraisal
IPU	Iraq Program Unit
ITP	Industrial Technology and Promotion branch (UNIDO HQ)
ITPO	Industrial Technology and Promotion Office
KRG	Kurdistan Regional Government
LSC	Local Steering Committee
MIM	Ministry of Industry and Minerals
NDS	National Development Strategy
NPC	National Project Coordinator
ODG/EVA	UNIDO Evaluation Group
PMU	Project Management Unit
PSC	Project Steering Committee
SME	Small and Medium Enterprises
SRD	Sustainable Research and Development
TCB	Trade Capacity Building branch (UNIDO HQ)
ToC	Training of Counsellors
ToT	Training of Trainers
UNDG ITF	United Nations Development Group Iraq Trust Fund
UNIDO	United Nations Industrial Development Organization

Glossary of evaluation related terms

Term	Definition
Conclusions	Conclusions point out the factors of success and failure of the evaluated intervention, with special attention paid to the intended and unintended results and impacts, and more generally to any other strength or weakness. A conclusion draws on data collection and analyses undertaken, through a transparent chain of arguments.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results.
Impacts	Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.
Indicator	Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor.
Institutional development impact	The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources, for example through: (a) better definition, stability, transparency, enforceability and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Such impacts can include intended and unintended effects of an action.
Lessons learned	Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact.
Logframe	Management tool used to improve the design of interventions, most often at the project level. It involves identifying strategic elements (inputs, outputs, out-

Term	Definition
	comes, impact) and their causal relationships, indicators, and the assumptions or risks that may influence success and failure. It thus facilitates planning, execution and evaluation of a development intervention. Related term: results based management.
Outcome	The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, outputs, impacts, effect.
Outputs	The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.
Recommendations	Proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; and/or at the reallocation of resources. Recommendations should be linked to conclusions.
Relevance	<p>The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.</p> <p>Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.</p>
Results	The output, outcome or impact (intended or unintended, positive and/or negative) of a development intervention. Related terms: outcome, effect, impacts.
Sustainability	The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long term benefits. The resilience to risk of the net benefit flows over time.

Map of Project Area



Executive Summary

The project under evaluation

The project *Enterprise Development and Investment Promotion (EDIP)* has been implemented in three governorates of Iraq: Erbil, Thi Qar and Baghdad. EDIP aims at promoting domestic and foreign investments and generating employment. Immediate focus is on stimulating the emergence of new enterprises and the growth of existing SMEs, as well as on strengthening institutional capabilities for sustainable development. The project FB/IRQ/07/004 has been fully funded by the Italian Cooperation for Development through UNDG Iraq Trust Fund for an amount of 3,057,000 USD with no specific conditions attached.

The evaluation

The EDIP evaluation was conducted in accordance with the Terms of Reference (ToR) for the evaluation, provided in Appendix 1. It was conducted by Ms. Henny Moeller ANDERSEN, international evaluation expert, between August and September 2010. Information has been gathered from stakeholder interviews, a field mission to Erbil, review of project progress reporting and an independent evaluation survey. EDIP ended in December 2010 and this evaluation is an end-of project evaluation. Efforts were made to triangulate findings to the extent possible. Caution has been taken in the interpretation of the survey findings.

The socio-economic context of the project

The three project Governorates differ in human development, access to basic services and employment situation. Generally, Erbil is doing best while Thi Qar is in the worst situation. The differences are particularly pronounced in gender-related human development. As for unemployment, Thi Qar shows the highest levels in Iraq as a whole, with women faring worse than men. Thi Qar is also in a considerably worse situation when it comes to access to basic services than the other two project Governorates. The security situation is considerably less severe in Erbil than in the other two project governorates with more incidents occurring in Baghdad than in Thi Qar.

Project planning and logic

The project includes two components, one on Enterprise upgrading (EU) and one on Enterprise Creation (EC). In addition, a financial facility is embedded in the project. The project design acknowledges the need to directly support and advise entrepreneurs while also supporting the development of institutional capacity to handle SME growth and to build up strong networks to ensure long-term sustainability. To help design EDIP Iraq deliverables, a project planning workshop was organised by UNIDO in September 2004, attended by Iraqi private and public sector institutions. In April 2007 (two and a half years later) the project was approved by the UNDG ITF.

The EC component builds on the generic EDIP model developed at ITPO Bahrain, which UNIDO also applies in other countries. The intervention logic of the model is to provide advisory and counselling support to entrepreneurs, in order to build capacity and transfer

knowledge, whereby the entrepreneurs are expected to take full responsibility in setting up, diversifying or expanding their enterprises. The EDIP approach supposes access to the necessary public administrative services, as well as to marketing, technology and finance.

The EU component applied a different approach using Private Sector Development consultants to formulate company upgrading plans. These plans are thereafter approved by the entrepreneurs who are however not directly involved in the preparation of the upgrading plans. The financial facility was intended to provide access to finance for entrepreneurs participating in both components.

A weakness in project planning has been the absence of critical assumptions accompanied by a monitoring strategy. The project log-frame does not clearly distinguish between project outputs and project outcomes, nor does it take into account contextual risks. The absence of an explicit gender strategy is another weakness of the project document.

Management structure

A Project Steering Committee, including representatives from the Ministry of Industry and Minerals, Thi Qar Provincial Council, Kurdish Regional Government, UNIDO and Ministry of Foreign Affairs of Italy, provided strategic guidance and oversight.

The EC component was implemented by the BIT/ITP Unit of UNIDO. Under the supervision of the Vienna based Project Manager the International Project Coordinator (IPC) at the PMU in Amman set up the local management structures and carried out day-to-day management. The three Enterprise Development Units (EDU) created under the project are hosted by Chambers of Commerce and Industry in Erbil and Thi Qar. The EDU in Baghdad is embedded in the Ministry of Industry and Minerals. The Government ensured effective supervision through Focal Points.

The EU component was implemented rather independently from the EC component by the TCB Branch of UNIDO. It had its own Project Manager at UNIDO HQ but no representation in the field.

Project implementation: monitoring

Due to security constraints, the project had to be implemented by 'remote control' (as all other UNIDO projects in Iraq). Day-to-day monitoring and establishing 'checks and balances' become particularly crucial but challenging in a project with this set-up. High level focal points provided an entry for bringing up any issues of concern. Trainers and counsellors were selected from different institutions to avoid the risk of resource capture by one single stakeholder. The PMU established solid routines and data bases to keep track on all training and counselling provided by the project. Written minutes from all workshops are on file. Frequent contacts between the PMU in Amman and the EDU staff in Iraq were upheld through video and telephone conferences as well as through ad-hoc missions to Iraq. The one weakness in monitoring relates to qualitative performance monitoring – of individual counsellors and trainers as well as of institutional performance.

All progress reporting was fulfilled as required. In particular a Self-Evaluation Progress Report was formulated.

Project implementation: the EU component

Due to budget limitations, the EU component could not implement enterprise upgrading on its own. It was therefore agreed to use the EC component to offer counselling services, study tours and other relevant services to the entrepreneurs once they had approved their individual upgrading plan. Entrepreneurs were selected based on four criteria: i) ability to finance and invest in upgrading process; ii) size of the company in terms of number of employees; iii) capital size; and iv) age or experience of the enterprise (operating since more than 5 years).

Counterpart staff was nominated for “training of trainers” to become national industrial upgrading consultants. Eventually, the selected consultants were provided tools to conduct diagnostic assessment of enterprises and to develop upgrading plans.

Project implementation: the EC component

The EC component targeted entrepreneurs who wish to establish an enterprise as well as entrepreneurs who wish to develop an existing enterprise. The project sent trainers and counsellors for training to the ITPO Bahrain who thereafter provided training and counselling services to selected entrepreneurs. Counterpart staff had been nominated for the training by the Government.

The project adapted the generic training material of the ITPO Bahrain to the conditions in Iraq and offered entrepreneurship training to would-be-entrepreneurs. However, when the number of candidates exceeded the number of available training seats, the Head of the EDU and the team of trainers formed a selection committee. Criteria included a good project idea but the selection committee also aimed at assessing the degree of commitment. Approximately 63% of the entrepreneurs continued into business counselling once they ‘graduated’ from the training.

Survey findings indicate that the majority of the entrepreneurs did not establish a new enterprise or diversify/expand. Lack of finance was the most frequent reason given. As for employment generation, the survey findings differ rather considerably from the figures presented in the self-evaluation progress report. There may be several reasons for this, one of course being that the survey is not entirely reliable. On the other hand, the figures in the project progress report are based on the entrepreneur’s own estimates at the time when they entered the project and it might be that these estimates did not materialize. Survey findings point to less employment than expected in Erbil but more employment than expected in Thi Qar and Baghdad.

Project implementation: the embedded financial facility (Revolving Fund)

The financial facility became operational only towards the project end (September 2010). At the time of project document approval, several issues around the financial facility remained unresolved. Important elements such as liability of UNIDO vis-à-vis the donor, exit strategy and type of disbursement to selected financial institutions (loan or grant) were not covered by the project document. These issues were clarified only during a Steering Committee Meeting in April 2009, following which the final bidding procedure was launched.

Following a call for tenders, the financial service provider AMALKOM was sub-contracted to implement the revolving fund. UNIDO disbursed funds to this sub-contractor as an interest free loan with the expectation that this loan will be returned to UNIDO at the end of the agreed period. The sub-contractor in turn provides loans charging market-based interest rates of 15% up front according to the Islamic ‘Haram’ rule. Charging market

rates has been a challenging approach, given the long history of subsidised loans in Iraq. Government and donors continue applying subsidized loans until today.

The lending was initially slow but picked up when an agreement was reached to expand eligibility to also include entrepreneurs who had not yet participated in the project training and counselling activities. These entrepreneurs have instead been trained and counselled under EDICT, the follow-up project to EDIP. By end of November 2011 the targeted amount of loans had been exceeded, except for Erbil, where enterprises are mostly middle-sized and thus less interested in the small-size loans provided by the revolving fund.

Relevance

Overall, the objectives of the project are consistent with country needs, global priorities and partner and donor policies. Iraq's *National Development Strategy (NDS) 2005-2007* and *NDS 2007-2010* both call for empowering and revitalising the private sector as well as strengthening institutions of governance.

The project policy to strictly promote market-based approaches and its efforts to discontinue the practice in earlier UNIDO projects to offer grants (in kind or cash) to beneficiaries have been of particular relevance and contributed to a 'mental shift' in the private sector. Iraq is no more in an immediate post-conflict recovery phase and has moved into a phase where sustainable development is at the core. In this context it is of utmost importance to avoid market distortions in private sector support. Project relevance could have been further enhanced through a stronger private sector involvement in project implementation, such as opening training programmes for trainers, counsellors and industrial consultants for candidates from the private sector.

In retrospect, it is difficult to acknowledge the added value, and thus the relevance, of setting aside a small fraction of the budget to the EU methodology, which was however never intended to be applied full circle. The EU component had to stop at the diagnostic phase and the participating enterprises were 'transferred' to the EC component and offered counselling support and invited to study tours and other relevant EC component activities.

In principle, the EDIP revolving fund has been relevant. However, when it became finally operational, the size of the loans was too small to meet the needs of many of the trained and counselled entrepreneurs. Access to finance remains an issue in Iraq, although the situation has improved since the early days of project planning.

Ownership

The project involved counterpart stakeholders at various levels of the project structure and it seems reasonable to expect that the sense of ownership for the project is comparatively strong among all directly involved counterparts. Governorate representatives are involved as Focal Points and the Steering Committee includes counterpart representatives. The Heads of the three EDUs are regular staff members of the hosting institutions. Teams of trained counterpart staffs work with the EDUs in providing the training and counselling services. The team of trainers and counsellors represent several institutions, implying that the project is at least partly embedded in more than one institution. Yet, the full-time staff (the LPC and the EDU administrator) is externally recruited and employed by UNIDO, which may work against a longer-term sense of ownership.

Effectiveness and impact

Overall, outputs in terms of business support services (training, counseling and upgrading plans) have been produced as planned with some minor discrepancies occurred due to limited funding, in particular for the EU component. Although the Revolving Fund was severely delayed it also achieved its output targets eventually.

With regard to outcomes, the evaluation survey indicates that 50% of the participating enterprises under the EU component might have expanded, diversified, or upgraded their technology. However, the degree of these improvements remains unclear and it seems that only a few new employment opportunities were generated under this component.

Assessing the outcome achievement of the EC component has been complicated by the confusion of outputs and outcomes in the project document. Moreover, the figures produced by the project monitoring and by the evaluation survey differ significantly. An extrapolation of the survey findings would mean that 10, 18, and 13 new enterprises were established in Baghdad, Thi Qar and Erbil respectively. These figures would considerably exceed the achievements cited in the self-evaluation report.

Similar differences are found for expanded/diversified enterprises. According to the self-evaluation no enterprise expanded or diversified in Baghdad, three in Thi Qar and 46 in Erbil. The extrapolated survey findings on the other hand would imply 23 expanded/diversified enterprises in Baghdad, 45 in Thi Qar and only 21 in Erbil. This would mean that the achievements in Erbil are below the self-evaluation report, whereas the achievements in Baghdad and Thi Qar are more positive.

With regard to job creation, the project recorded the expectation of the participating entrepreneurs that 370 jobs could be created but did not monitor the actual achievement of these expectations. The evaluation survey indicates that the number of employments created might be above 500. Although the robustness of these observations is limited, there is at least some evidence that, on average, the expected target of 200 jobs created per governorate could have been partly achieved.

There has been a debate between the project management and the ITPO Bahrain, whether a greater involvement of the latter (similar to the EDIP projects in Lebanon, Sudan and Sierra Leone) could have led to better effectiveness. The ITPO claims that, in addition to the two capacity building programs, a minimum 6 to 9 months of rigorous follow-up and involvement of the ITPO in daily operations would have been required to ensure smooth implementation and transfer of know-how, including their participation in the development of the national strategy, training tools, promotional material, establishment of the selection committee, on the job training, counselling entrepreneurs and linking them with support structures at the different stages of their business development.

The evaluators are not in a position to verify these claims of the ITPO Bahrain because this would require a systematic comparison between the EDIP projects that are implemented directly by the ITPO Bahrain and those such as Iraq that are implemented by UNIDO HQ.

Efficiency

As all for all UNIDO projects in Iraq, the implementation efficiency has been negatively affected by security issues, although, in the case of EDIP, security problems differed between the three governorates. During project planning and preparation, no efforts were made to adapt the standard EDIP model and material to the Iraqi context. The project design was the same for all three governorates, despite widely differing socio-economic contexts. The bureaucratic and cumbersome processes in Iraq and the weak linkages to financial schemes were not sufficiently considered as risks in project planning. Subsequently, the project management made strong efforts to adapt inputs to off-set the weaknesses of the initial project design. The management has been particularly strong in quantitative results-orientation, while the qualitative performance monitoring and follow up could be strengthened. It seems that the decision to involve two different UNIDO branches in implementation has contributed to fragmentation and increased over head costs at UNIDO HQ, but without visible synergies.

Sustainability

The project focussed on long-term capacity building. At the end of EDIP, all three EDUs are fully functional and embedded in national administrative structures. The foundation for sustainability has therefore been laid. However, the project provided its enterprise services for free and paid salary/fees to counterpart staff working with project activities. The follow up project EDICT aims at financial sustainability of the EDUs and includes sustainability plans with indicators measuring EDU performance and thus their sustainability prospects. The idea is that entrepreneurs would start paying small service fees as a sign of commitment and appreciation of the services provided.

Sustainable results in employment generation and entrepreneurship will depend on GoI measures to strengthen the private business climate, such as streamlining the multitude of cumbersome and vague administrative and legal routines and strengthening the provision of infrastructure services. Improved access to market-based finance also for less sophisticated entrepreneurs is another important prerequisite for sustainable and dynamic entrepreneurship development.

Main recommendations

Recommendations to UNIDO:

- UNIDO project design and management needs to be strengthened with regard to the quality of the logframe, possible inception phases, risk management, and monitoring.
- If two or more UNIDO branches are involved in a project, the project should not be split into “independent” components but the entire project should be jointly planned and implemented under the clear leadership of one of the branches.
- UNIDO should adopt a more systematic approach to gender equity and envisage assigning a gender focal point for project design. Possible asymmetric gender structures should be systematically identified and properly analyzed in the project document and activities how to address these asymmetries should be included in the project strategy.

- For its project portfolio in Iraq, UNIDO should put an independent monitoring mechanism and, as appropriate, other 'checks-and-balances' in place to compensate for the implementation risks originating from remote project implementation with no visits of UNIDO international staff on the ground.
- Access to finance is a critical success factor of entrepreneurship projects. While other UNIDO projects facilitate linkages to credit schemes of other donors or agencies, EDIP tackled this issue by a guarantee fund although this is not UNIDO core business. Future evaluations should look systematically into UNIDO's different approaches to entrepreneurship development and access to finance.

Recommendations to UNIDO and to the Government:

- In projects aiming to reach private entrepreneurs it is recommended to accept a strong private sector involvement in all stages. It is needed to reassess the appropriate role to be played by the public sector and governance structures in relation to sustainable private sector development. The private sector should be represented in the Steering Committees of such projects.
- When selecting the staff, trainers and consultants of a project GoI should accept equal treatment of candidates from the private and public sector. Any selection or recruitment should be based on transparent criteria and competitive processes.
- UNIDO should not apply "blue print" approaches for its projects that neglect geographical or sectoral differences. The GoI should acknowledge contextual differences across governorates in project design and accept that these may lead to differences in activities and budgets, depending on the needs and context of each participating governorate.
- For projects aiming at institutional capacity building, UNIDO should include a comprehensive change management strategy in the project document that goes beyond individual training. GoI should not only accept that institutional capacity building requires reorganization and organizational change but should also actively promote such change.

Recommendations to the Donor

- The donor should insist on greater adherence to RBM principles.
- For capacity building projects, even for those that are implemented in a post-conflict environment, the donor should accept an appropriate time frame.
- For joint projects involving two or more UN Agencies, the donor should insist on appropriate coordination mechanisms.

1

Introduction

1.1 The Evaluation

This evaluation is an end-of project evaluation. The project FB/IRQ/07/004 '*Enterprise Development and Investment Promotion (EDIP)*' has been implemented in three different regions of Iraq: Erbil, Thi Qar and Baghdad. Initially, the project was conceived for a duration of 18 months (June 2007 to December 2008). Due to implementation delays it has been extended three times until June 2010.

The evaluation has been conducted by Ms Henny Andersen, an international evaluator who holds overall responsibility for the evaluation design, including the preparation of the questionnaires for the beneficiary survey, the final analysis and the reporting. It was conducted between August and September 2010. Because extensive field missions of international consultants to all project areas are not possible for security reasons, the beneficiary survey was contracted out to SRD, an Amman based consulting firm, which used a team of five Iraqi interviewers for the survey. The international consultant made a shorter field mission to Erbil. The Terms of Reference for the international evaluator and the Amman based consulting firm are found in Appendix 1. The project management provided requested assistance to carry out the evaluation.

The evaluation was planned for August-September 2010. However, the beneficiary survey was severely delayed and not finalised until mid-January 2011.

1.2 Evaluation methodology

Information has been gathered from stakeholder interviews, a field mission to Erbil, review of project reporting and an evaluation survey. Efforts were made to triangulate findings to the extent possible.

Project documentation and reporting

The Project Document, technical background documents, as well as activity reports and reports on progress and achievements have been reviewed. Selected minutes of meetings and workshop/seminar reports were also made accessible to the international evaluator. In addition, a self-evaluation progress report was made accessible, as well as a project financial history report. The full list of documents reviewed is in Appendix 2.

Stakeholder discussions

The international evaluator met with project stakeholders in Erbil, Amman, and Vienna. Persons met are listed in Appendix 3.

Field mission

The international evaluator undertook a field visit to Erbil, during which visits to participating entrepreneurs were made (see Appendix 3). Due to security reasons no field missions to the remaining two project areas were possible. Moreover, due to security restrictions in movement, the field visit to Erbil was confined to Erbil city centre. The international consultant relied on extensive and flexible full-time support from the Local Project Coordinator (LPC) and the EDU administrator during the field mission, without which it would in effect not have been possible to move outside the UN compound. The approved logistics support from the UN Compound was cancelled due to an unforeseen high level UN visit to Erbil. This serves to illustrate the difficult circumstances for the project management in Amman even in the most secure of the three governorates covered by the project.

Evaluation survey

An independent survey was conducted among the trained counterpart staff and trained entrepreneurs as well as participating enterprises in upgrading component. The number of enterprises participating in the upgrading component and number of trained entrepreneurs as part of the enterprise creation component are seen from Table 1, and Table 2 shows number of counterpart staff trained.

The survey was intended to verify/indicate project outputs, outcomes, and impact (survey questionnaires are included in Appendix 4). As per ToR for the Amman based consulting company, a total of 90 interviews should be conducted, out of which approximately 40 face-to-face and 65 by phone.

Enterprises participating in upgrading component

A list of selected entrepreneurs was provided to the evaluators. The international consultant made the initial selection of two interviewees by governorate. To have an unbiased selection, the first interviewee was randomly selected using a dice, and the second being the fifth enterprise thereafter on the list.

During the survey implementation, The Amman based consulting firm made changes to the selection in both Baghdad and Thi Qar. In Baghdad, none of the selected enterprises were interviewed, in Thi Qar an additional two enterprises were added and interviewed (see Table 1 for number of initially selected enterprises (in brackets) and number actually included).

Trained entrepreneurs (ToEs) in enterprise creation component

Selection of interviewees

The international consultant made the initial selection of interviewees. For selection of ToEs the project database (30 July, 2010), which listed entrepreneurs by governorate, was used. The aim was to have an unbiased and proportional selection across the three

governorates. The first interviewee was randomly selected (using a dice) and thereafter every four from the database.

A replacement rule was decided between the international consultant and the Amman based consulting firm in order to maintain certain degree of unbiased selection also in cases of unavailability of selected entrepreneurs while not missing out on coverage.

During survey implementation, the Amman based consulting firm made additional changes in the selection and dropped a number of selected interviewees. Table 1 shows the number of entrepreneurs initially selected for the survey (in brackets) and the number actually interviewed. It also shows the difference between initial (in brackets) and actual survey coverage.

Table 1: Distribution of trained entrepreneurs and participating enterprises
(Number of persons)

Governorate	Baghdad	Thi Qar	Erbil	Total
Enterprises in upgrading	12	11	11	33
Entrepreneurs trained	100	123	100	323
Of which:				
Counselled	39	70	96	205
Not counselled	61	53	4	118
Survey: Enterprises in upgrading				
Included	0	4	2	6
(Initially selected)	(2)	(2)	(2)	(6)
Actual survey coverage	--%	36%	18%	18%
(Initial survey coverage)	(17%)	(18%)	(18%)	(18%)
Survey: Entrepreneurs trained				
Included	21	27	24	72
Of which counselled:	9	15	21	45
(Initially selected)	(25)	(31)	(25)	(81)
Actual survey coverage	21%	22%	24%	24%
(Initial survey coverage)	(25%)	(25%)	(25%)	(25%)

Incomplete information

In addition to the slightly potentially biased selection of interviewees, the processing of the survey reports by the international consultant revealed that not all questions were asked during the interviews. No reasonable justification for the omission of some questions has been provided by the Amman based consulting firm. It can therefore be concluded that the quality of the survey has been compromised.

Training of counterpart/institutional staff

A data base was provided to the evaluators of all institutional staff being trained to become trainers, counsellors or consultants. The data base showed who had participated in which training course and also showed who eventually worked as a trainer and/or counsellor for the project.

The international consultant made an initial, unbiased, selection of interviewees. However, the final selection of interviewees was reduced by the Amman based consulting firm, referring to unavailability of trained counterpart staff. Table 2 shows the number of actually interviewed staff, together with the number of initially selected staff (in brackets).

Table 2: Distribution of trained trainers across subjects
(Number of persons)

Governorate	Baghdad	Thi Qar	Erbil	Total
Staff trained	26	24	20	70
Survey				
Included	3	5	4	12
(Initially selected)	(7)	(6)	(5)	(18)
Actual survey coverage	11,5%	20%	18%	16%
(Initial survey coverage)	(27%)	(25%)	(25%)	(26%)

The survey coverage of staff was unfortunately more than halved in Baghdad (down from a planned 23% to an actual 11.5%). In addition, initially selected staff was replaced by the Amman-based consulting firm, and the final selection of interviewees was in reality done based on accessibility of the staff. This implies that the selection is most likely not unbiased.

A note on survey validity and interpretation of findings

Survey findings must always be seen as indications of reality but not as providing 'the truth'. Findings have to be interpreted and generalized cautiously. This particular survey presents moreover several aspects to consider when analysing the findings and in particular when trying to extrapolate these findings.

The intended unbiased selection was compromised to a certain degree and the intended coverage was changed (decreased or increased). Moreover, the complete information was not collected from all interviewees, which casts some uncertainty on the quality of survey implementation. The survey does therefore not fully serve its intended purpose as a solid independent input to the evaluation.

In addition, the surveyors perceived a certain 'reluctance' and reported that they were not always 'well received' by the selected interviewees, which may also have influenced the quality of the interviewees' answers.

1.3 Project summary

1.3.1 Project structure in brief

The project aims at promoting domestic and foreign investments and generating employment. Immediate focus is on up-grading existing enterprises and on creating new ones, as well as on strengthening institutional capabilities for sustainable development.

Intervention structure

Figure 1 (next page) illustrates the project intervention logic as presented in the Project Document. Objectives in Figure 1 match objectives as formulated in the project log-frame (and also presented in the Self-evaluation Progress Report).¹ From Figure 1 it is seen that the project is envisioned to have two programmes: i) Enterprise Development (focus on DI) which in turn has two components, and ii) Investment Promotion (focus on FDI). The latter was put on hold by the Project Steering Committee (PSC) during the kick-off meeting.²

In UNIDO, the project is implemented by the Industrial Technology and Promotion (ITP) branch, but the enterprise upgrading component has been outsourced to the Trade Capacity-Building (TCB) branch.

1. *Enterprise creation.*
Implemented by UNIDO Industrial Technology and Promotion (ITP) Branch.
2. *Enterprise upgrading.*
Implemented by UNIDO Trade Capacity-Building (TCB) Branch.
3. *Institutional capacity building*
Put on hold as per decision of the Project Steering Committee.

The two remaining components are both envisioned to have the same four types of activities:

- *Training*
- *Technical support*
- *Financial facility*
- *Networking.*

UNIDO management and implementing structure

The Project Manager who is based at UNIDO HQ in Vienna, ITP branch, holds overall supervisory and implementation responsibility. The Project Manager takes all formal decisions on project expenditures and activities. The TCB branch in Vienna appointed a Project Manager for the supervision and implementation of the Enterprise Upgrading component

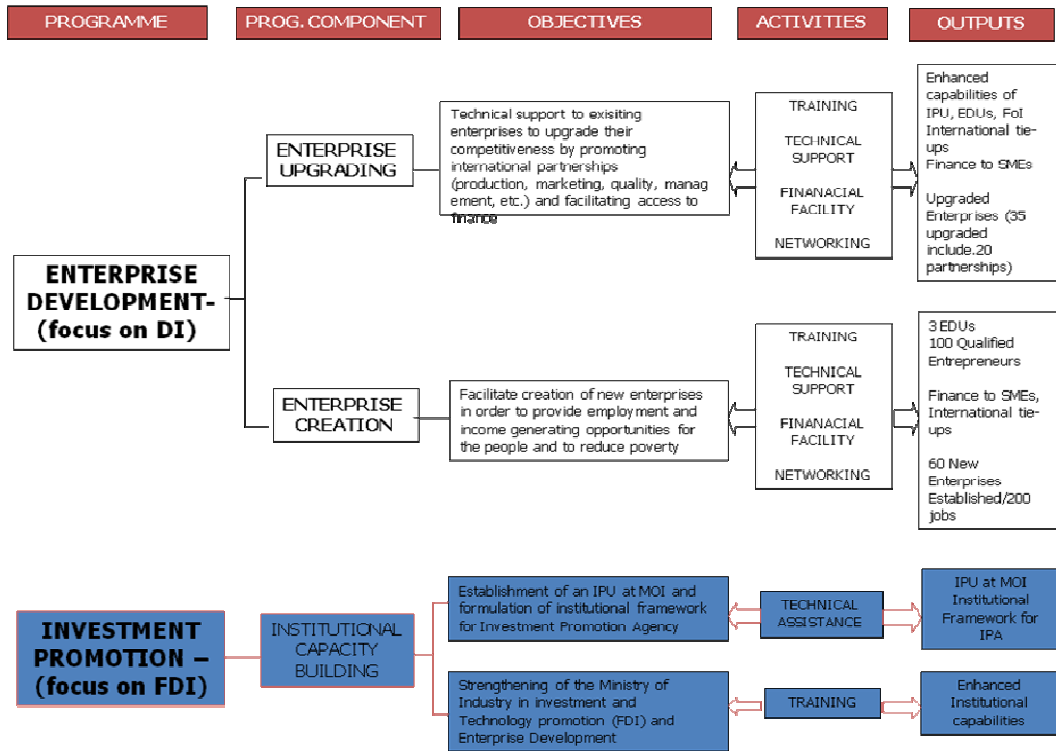
The International Project Coordinator (IPC), who is based in the Project Management Unit (PMU) in UNIDO Iraq Office in Amman, is responsible for field implementation and monitoring of project activities. Due to the security situation the monitoring of the project has remained in Amman throughout the project duration.³ For further details on implementation structure, refer to Section 4.

¹ The formulation of the objectives in the Project Document differs between the log-frame and the schematic presentation. In the schematic presentation, the objective for the Enterprise Upgrading component is broken down into short-term, medium-term, and long-term objectives. The objective for the Enterprise Creation component is stated as a medium-term specifying types of activities.

² See meeting notes from Kick-off Meeting (February 2008).

³ The Project Document refers to PMU being transferred to Iraq as permitted by security, which did not happen.

Figure 1: Project components and intervention logic



1.3.2 Basic project facts⁴

EDIP is implemented by UNIDO in three Governorates of Iraq: Erbil, Thi Qar and Baghdad.

<p>Project Number: Iraq (C10-07) Executing Agencies: UNIDO UNIDO Project Management: Project Manager: UNIDO HQ Vienna International Project Coordinator: PMU in UNIDO Iraq Office Amman National Project Coordinators: in Erbil and Thi Qar in EDUs</p>	<p>National Counterparts: Main Counterpart: Ministry of Industry and Minerals Implementing Partners/Counterparts: Baghdad: Ministry of Industry and Minerals (line ministry) Erbil: KRG Prime Minister's Office, KRG Board of Investors, and Erbil Chamber of Commerce Thi Qar: Thi Qar Provincial Council and Thi Qar Chamber of commerce Three Governorates: AMALKOM (since August 2010)</p>
<p>Start date: 28 June 2007 - Date of first transfer of funds from the MDTF Office as Administrative Agent 7 February 2008 – 'Kick-off'</p>	<p>Project Duration: 18 Months (2007–2008) Original end-date: 28 Dec 2008</p>

⁴ See also: Self-Evaluation Progress Report.

1st Budget Revision/Extension: Till 31 Aug 2009 2nd Budget Revision/Extension: Till 31 Dec 2009 3rd Budget Revision/Extension: Till 30 June 2010	Revised end-date: 31 Dec 2010
Project Value: UNDG Iraqi Trust Fund (earmarked funding to UNIDO by Italian Development Cooperation): USD 3 057 537 GOI in-kind Contribution: USD -- Total: USD 3 057 537	Project Location: Governorates of Erbil, Baghdad and Thi Qar
Development objective	
To accelerate economic growth in Iraq through the promotion of domestic and foreign investments in the SME sector	
Key immediate objectives	
<ol style="list-style-type: none"> 1. To provide immediate technical support to ailing enterprises (in the designated Governorates) in order to restore their operations and to upgrade their competitiveness by promoting international partnerships in terms of technology, market access, finance, etc. 2. To facilitate the creation of new enterprises (in the designated Governorates) in order to provide employment and income generating opportunities for the people and to reduce poverty. 3. Develop a Revolving Fund scheme to be administered by local and/or international financial intermediary and strengthen its capabilities for efficient and transparent administration of the fund 4. To develop/strengthen institutional capabilities in the areas of Enterprise Development (in the designated Governorates) to promote domestic investments. 5. To develop institutional capabilities FDI promotion in order to ensure sustained economic growth and global integration. 	
Outputs	
<ol style="list-style-type: none"> 1. At least 10 enterprises assisted in re-starting their operations; At least 25 existing enterprises upgraded in specific functional areas (marketing, production, quality management, etc.); At least 20 enterprises upgraded through the promotion of international partnerships (market access, technology, management know-how, etc. in each designated Governorate. 2. At least 100 potential entrepreneurs trained in Enterprise Creation in each designated Governorate; At least 60 new businesses (micro-small) established in each designated governorate; Around 200 job opportunities created in each designated Governorate. 3. A Revolving Fund scheme operational in cooperation with the Arab Gulf Programme for United national Development Organizations (AGFUND). 4. Enterprise Development Unit (EDU) functional in each governorate. 5. Policy advice provided to the government on investment promotion; An Investment Promotion Unit established at the Ministry of Industry; Action plan proposed for establishment of an Investment Promotion Agency. 	

2

Country and project context

In Iraq there remain continuing challenges in terms of provision of basic services, rule of law, human rights, and transparency and accountability within governmental institutions and policies, as well as the overall transformation of the country towards democracy and economic development.

2.1 Baghdad, Erbil and Thi Qar Governorates

The three project Governorates differ in human development, access to basic services and employment situation.

2.1.1 Human development

Table 3 (next page) shows the customary package of four basic human development indexes at governorate level (for definitions see Box 1). Governorate rankings are shown in parenthesis (with rank 1 being the best off and rank 18 the worse off).

Box 1: Definitions of human development indexes

Definitions:

- *HDI (Human Development Index)*: measures average achievements in three dimensions of human well-being i) long and healthy life, ii) acquisition of knowledge, and iii) decent standard of living.
- *GDI (Gender-Related Development Index)*: adjusts average achievements in human development to reflect inequalities between men and women (i.e. inequalities in the three dimensions: i) long and healthy life, ii) acquisition of knowledge, and iii) decent standard of living).
- *GEM (Gender Empowerment Index)*: focuses on women's opportunities and thus highlights gender inequality in three key areas: i) political participation and decision-making power, ii) economic participation and decision-making power, and iii) control over economic resources.
- *HPI (Human Poverty Index)*: measures deprivations in the three basic dimensions of human development i) exposure to the risk of death in a relatively early age, ii) exclusion from the world of reading and communications, and iii) exclusion from decent standard of living.

Table 3: Basic indexes on human development (Governorates)

Governorate	HDI value (rank)	GDI value (rank)	GEM value (rank)	HPI value (rank)	Perceived social restrictions on women (%)
Nineveh	0.626 (7)	0.603 (4)	0.626 (13)	21.4 (8)	55.0
Kirkuk	0.625 (9)	0.595 (7)	0.567 (17)	19.4 (5)	55.4
Diala	0.615 (11)	0.601 (5)	0.567 (16)	20.7 (7)	98.3
Al-Anbar	0.652 (3)	0.597 (6)	0.618 (14)	16.4 (2)	97.4
Baghdad	0.625 (10)	0.583 (9)	0.731 (6)	18.8 (4)	76.1
Babylon	0.629 (6)	0.577 (10)	0.731 (5)	20.1 (6)	90.7
Kerbela	0.626 (8)	0.617 (3)	0.613 (15)	16.2 (1)	85.4
Wasit	0.600 (14)	0.565 (11)	0.760 (1)	22.7 (10)	69.5
Salahuddin	0.600 (13)	0.506 (17)	0.511 (18)	28.3 (15)	60.3
Al-Najaf	0.600 (15)	0.555 (12)	0.687 (9)	25.0 (12)	6.8
Al-Qadisiya	0.591 (16)	0.544 (14)	0.701 (7)	25.2 (13)	44.9
Al-Muthanna	0.570 (17)	0.524 (16)	0.745 (2)	30.0 (17)	74.6
Thi-Qar	0.612 (12)	0.549 (13)	0.673 (10)	21.9 (9)	37.6
Missan	0.568 (18)	0.443 (18)	0.638 (12)	30.2 (18)	49.1
Basrah	0.634 (5)	0.528 (15)	0.696 (8)	17.5 (3)	68.6
Duhuk	0.638 (4)	0.594 (8)	0.745 (3)	28.9 (16)	(-)
Suleimaniya	0.676 (1)	0.675 (1)	0.672 (11)	22.9 (11)	(-)
Erbil	0.652 (2)	0.620 (2)	0.742 (4)	26.4 (14)	(-)

Source: *National Report on the Status of Human Development* (Tables 1-5).

The *National Report on the Status of Human Development* (NRSHD) is the first attempt to provide a broad national database on human development in Iraq institutionalising the statistical analysis of human development indicators across governorates.⁵

There are rather significant differences in human development across the governorates. The differences are particularly pronounced in the two gender-related human development indexes, with GDI ranging from 0.675 down to 0.443, and GEM ranging from 0.760 down to 0.511. The socio-economic context thus makes it particularly challenging to ensure that women get fair and equal access to opportunities and resources provided through the project.

⁵ Ministry of Planning and Development Cooperation (2008): *National Report on the Status of Human Development* (NRSHD). The NRSHD builds on previous surveys during the period 2003-2007 and brings together two qualitative methodologies in the analysis: i) statistical analysis of human development indicators and indexes based on annual statistical reports and latest field surveys of official statistical establishments, and ii) development of new statistical indicators based on a special Opinion Poll on human security which adds the views of the Iraqi people on matters vital to their well being which are seldom elicited directly and independently. While NRSHD thus does not include the most recent survey, it provides a basis for comprehensive analysis.

The three project governorates show significant differences. Erbil is consistently doing best while Thi Qar fares worst for three of the indexes (HDI, GDI and GEM). On the other hand, Erbil is doing considerably worse than both Baghdad and Thi Qar when it comes to HPI. While the first three indexes measure *averages* the fourth measures *deprivation*. Thus, while Erbil experiences one of the highest average levels of human development in Iraq, a large share of the population continues to be excluded from this human development (i.e. continues to experience deprivation). The differing situation across the project governorates would require differing measures from any project or programme which wishes to address economic empowerment.

2.1.2 *Employment, economic activity rate and basic services*

Table 4 (next page) shows access to a few basic services, economic activity rate, and levels of un- and underemployment. Both Baghdad and Erbil are comparatively well served with safe drinking water, as opposed to Thi Qar (third worst off among all governorates in Iraq). Similar differences in access are seen for garbage collection (although here no figure is available for Erbil). When it comes to access to sewage system the difference between Baghdad and Thi Qar is enormous (again no statistics is included for Erbil). It must also be kept in mind that there are most likely additional differences within the Thi Qar governorate itself. Absence of such basic services is likely to negatively influence the potential for sustainable private sector and economic development in Thi Qar.

The statistics about economic activity rate, as well as for un- and underemployment, is gender-disaggregated in Table 4. Unfortunately no statistics is available for Erbil, but it seems reasonable to believe values to be comparatively close to those found in Sulimaniya.⁶ A first observation is that the rate of economic activity consistently differs among women and men in all governorates in Iraq (with measurements available). In this respect there are no significant differences across the three project governorates.

There are, however, marked differences across the three project governorates when it comes to unemployment for both men and women, with Thi Qar showing the highest levels in Iraq as a whole, and with women faring worse than men. A similar situation is seen in the level of underemployment.

The source did not include information about unemployment in Erbil, but the IAU website indicates an average (men and women) unemployment rate in 2008 for Erbil of 13.2% (compared to 11.8% and 30.8% for Baghdad and Thi Qar respectively). Erbil would thus be better off than Thi Qar but worse off than Baghdad when it comes to unemployment rates.

⁶ The source of the measures on economic activity, unemployment and underemployment comes from a survey which covered Sulimaniya but not Duhuk and Erbil. Other measures show that the differences between the three Kurdish governorates are not extraordinarily wide (except for the gender indexes shown in Table 4).

Table 4: Access to services and employment (Governorates)

Governorate	Safe drinking water	Having garbage collection	Served sewage system	Level of living deprivation	Economic activity rate		Unemployment		Underemployment	
					M	F	M	F	M	F
Nineveh	83.7	59	2.3	29.0	82	17	25	40	26	65
Kirkuk	97.7	18	1.0	20.4	73	20	6	13	30	62
Diala	72.5	24	0.0	47.4	81	12	18	24	32	70
Al-Anbar	94.2	34	2.6	22.9	(-)	(-)	(-)	(-)	(-)	(-)
Baghdad	95.6	92	75.0	20.4	77	19	15	20	40	69
Babylon	63.9	36	3.2	55.5	82	45	17	12	32	67
Kerbela	90.3	65	18.3	45.6	78	13	17	27	34	62
Wasit	71.0	35	0.0	43.5	82	27	7	14	25	64
Salahuddin	72.5	40	7.4	28.5	77	24	21	10	36	76
Al-Najaf	88.1	59	17.8	38.8	79	17	16	33	20	42
Al-Qadisiya	74.5	45	5.3	51.6	79	21	19	22	32	66
Al-Muthanna	53.1	35	0.7	56.4	80	15	23	22	25	68
Thi-Qar	69.9	45	6.3	49.7	75	18	25	44	34	78
Missan	75.1	23	9.6	33.1	78	14	15	38	25	56
Basrah	79.7	54	24.3	28.2	77	13	12	21	13	59
Duhuk	98.6	(-)	(-)	28.6	(-)	(-)	(-)	(-)	(-)	(-)
Suleimaniya	95.5	67	80.0	29.4	75	29	6	33	38	37
Erbil	97.2	(-)	(-)	15.5	(-)	(-)	(-)	(-)	(-)	(-)

Source: National Report on the Status of Human Development (Tables 8, 14, 16, 24, 25, 26, 27).

2.1.3 Security

There are security threats from insurgency, constituted by radical anti-West and anti-development groups with a political agenda attached to violence and threats. Other security threats come from criminal groups that can perceive development projects as a lucrative way to get money or financially attractive contracts through e.g. ransom and extortion. There are not always obvious borders between these two groups. The security situation is considerably less severe in Erbil than in the other two project governorates, with more incidences occurring in Baghdad than Thi Qar.

2.2 UNIDO in Iraq⁷

UNIDO has been absent from Iraq during the years since the first Gulf War but participated in October 2003 in the International Donors' Conference for the Reconstruction of Iraq in Madrid and initiated in 2004 negotiations with the GoI, international partners and the donor community. Following discussions during UNIDO's Industrial Board in 2003, UNIDO committed itself to supporting sustainable industrial development in countries emerging from crisis. Iraq was among a group of high priority countries.

UNIDO currently works in 11 of Iraq's 18 governorates and is present in some of the most volatile areas in Iraq including Ninewa and Al-Anbar governorates. UNIDO's assistance to Iraq has been focusing on helping reconstruct devastated livelihoods as well as the productive capacity of the country. As the security situation started to improve, the assistance expanded, focusing on private sector initiatives and economic reform, including on supporting government institutions dealing with the private sector and the energy and the environment sector. Iraq's dairy and date sectors also benefited from different UNIDO projects. In a nutshell, UNIDO in Iraq works on: i) private sector development (micro, small and medium enterprises and policy institutional support), and ii) energy and environment.

In light of the overall security situation in Iraq and lack of space in the UN compound in Baghdad the UNIDO Iraq Programme Office is located in Amman, Jordan, providing programming and technical support both to institutional counterparts and national project management units across Iraq. The UNIDO Special Representative and International Project Coordinators based in the Amman office regularly travel to Iraq. UN Offices in Baghdad, Erbil and Mosul are used as meeting and coordination points. Alternatively, Iraqi national experts travel to Amman. As overall security improves, the Government of Iraq has requested UN agencies to shift operations to Baghdad to play a more direct political and operational role. In this respect, UNIDO has recently established a Project Management Unit in Baghdad to support a new private sector development programme.

2.3 EDIP positioning and coordination⁸

EDIP is unique in the designated governorates in the sense that there is no other directly similar intervention. During the project period, the project has developed partnerships and collaborations with various agencies working other interventions of similar or related nature.

➤ *UN Agencies*

Cooperation was established with the following UN parties:

ILO/UNOPS: implement a project for developing BDS (Business development services) in Iraq in the governorate of Basra, Hilla and Sulaymanya. The EDIP project coordinate extensively with them at Country team level where joint programme related to the devel-

⁷ Largely citing from: UNIDO (United Nations Industrial Development Organization): Iraq Programme, 2010 September Update

⁸ This and the following section is largely citing from: UNIDO (September 2010): *Self-Evaluation Progress Report*.

opment of non-financial services for SME was developed in the project “Private Sector development project for Iraq” (please see output 1.3.3 of the project document).

UNIDO TARGET project: TARGET is another UNIDO Iraq project with the objective of increasing income-generating opportunities for the IDP community in the ThiQar Governorate through enhancing technical skills and promoting the development of micro and small-scale agro-industrial, manufacturing and services enterprises. The beneficiaries of TARGET who are provided with technical skills and toolkits through TARGET will be supported by the EDUs to gain managerial skills and financial linkages to improve their services and generate more income.

➤ *Other Agencies*

Iraqi Company for Bank Guarantee (ICBG): participated in the kick off meeting and its member banks have been involved in the financial consultations for handling the revolving fund. By the inclusion of ICBG inside the project framework we aim to ensure the provision of loan guarantees for enterprises supported through the program.

Agro-industry Union Thi Qar: The project team in Thi Qar has coordinated with the union in organizing special entrepreneurship development programs for its members. In total 21 Agro engineers participated in this training. The training is a result of the growing recognition of the EDU and the services it provides.

USAID Project IZIDIHAR for private Sector growth and employment generation.

Provincial Reconstruction team (PRT) in Nassirya: The PRT has supported implementation of the project in Thi-Qar and, in particular, identified candidates to serve as local consultants as well as counsellors. There is scope within the project for providing loans to the enterprises supported by the PRT.

Italian Trade Commission (ICE): There has been cooperation with the ICE in order to facilitate contacts between Italian and Iraqi private sector actors, and to support entrepreneurs in identifying suitable Italian machinery suppliers to upgrade and improve their production capacities. To this end, the EDU in Erbil supported an awareness seminar was organized by ICE in the area allowing an Italian delegation of private companies to participate and interact with the Iraqi enterprises promoted under the project. UNIDO and ICE in April 2010 supported the mission of 12 companies from Iraq to attend EDIL Levante Construire 2010 (please find attached the press release of the event).

2.4 EDIP implementing partners

➤ *Governorate of Baghdad*

Ministry of Industry and Minerals is *de facto* the focal point for all project activities in the Baghdad governorate in addition to being the Line Ministry of the project. The Ministry hosts the Enterprise Development Unit (EDU) on its premises and has nominated three MIM officials to oversee project activities in Baghdad. Some of the Ministry’s personnel have been trained through the Training of Trainers (ToT) for Enterprise Creation and are part of the team of trainers for conducting the training of entrepreneurs in the governorate. Ministry personnel have also been trained as counsellors through the training of

counsellors to provide business advisory services/ business counselling. MIM personnel have been trained in investment project preparation and appraisal techniques for identifying relevant investment projects for the governorates and appraising them. They were also trained to use the COMFAR software to conduct feasibility studies.

Ministry of Planning and Development Cooperation has been one of the project stake-holders. The Ministry nominated their representatives to attend the project kick-off meeting in Bahrain and endorsed the work-plan for project activities.

Federation of Iraqi Industries nominated staff, who have been trained through the Training of Trainers and are part of the team of trainers conducting the Training for Entrepreneurs.

Industrial Bank nominated staff, who have been trained through the Training of Trainers and are part of the team of trainers to conduct the Training for Entrepreneurs.

➤ *Kurdistan Regional Government*

KRG Government is the focal point for the project in the region and is providing governmental support in facilitating project implementation.

KRG Board of Investment is the technical reference point for the operational activities of the project and has nominated some of their personnel for capacity building exercises, including the Training of Trainers and Training of Counsellors. These trained personnel are part of the team of trainers for enterprise creation in the governorate and the team of counsellors providing business advisory services to the trained entrepreneurs. Board of Investment personnel have also been trained in investment project preparation and appraisal techniques.

Erbil Chamber of Commerce and Industry hosts the EDU in Erbil and has also nominated personnel for capacity building exercises, including the Training of Trainers and Training of Counsellors. The trained personnel are part of both the team of trainers for enterprise creation and the team of business counsellors. The Chamber of Commerce & Industry personnel have also been trained in investment project preparation and appraisal techniques for identifying relevant investment projects and appraising them. In order to institutionalize the program in the Governorates, the Chamber of Commerce and Industry has nominated the Head of the EDU from within their organization.

➤ *Governorate of Thi Qar*

Thi Qar Provincial Council is the focal point for the project in the region and is providing local institutional support to facilitate project implementation. It has played a pivotal role in identifying suitable candidates for the capacity building exercises of the project. Members nominated by the Council have been trained and now are part of both the training of trainers for enterprise creation and the training of business counsellors. The Governorate has formed/created a managerial committee nominating various stake-holder members to provide regular support and advice to the project team on project implementation.

Thi Qar Chamber of Commerce hosts the EDU in Nassirya. In order to institutionalise the program in the Governorate and to ensure the smooth functioning of the project activities, the Chamber of Commerce and Industry nominated the Head of the EDU.

Thi Qar Vocational Training Centre hosted the training courses for entrepreneurs and has been providing services for the implementation of the enterprise creation component in the Governorate.

Thi Qar Engineering Union nominated staff who have been trained through the training of trainers and are part of the team of trainers to conduct training of entrepreneurs. The Engineering Union members have been trained as business counsellors and are providing business advisory services to graduate entrepreneurs from the training of entrepreneurs. Engineering Union members have been trained in investment project preparation and appraisal techniques for identifying relevant investment projects for the governorate and appraising them.

Thi Qar University nominated staff who have been trained through the Training of Trainers and are part of the team of trainers conducting the training for entrepreneurs. University personnel have also been trained in investment project preparation and appraisal techniques for identifying relevant investment projects for the governorate and appraising them.

3

Project planning

3.1 Project identification and formulation

The project identification took its point of departure in the Iraqi National Development Strategy (NDS) for 2005-2007 and the International Compact for Iraq (ICI) initiative (agreed September 2006) for a new partnership between the Government of Iraq (GoI) and the international community. Recognizing the critical need to accelerate economic growth, and the important role of the private sector in this process, UNIDO sought to address the issue of unemployment and the creation of sustainable jobs.⁹

To help design the project, UNIDO organised a project planning workshop in September 2004, attended by Iraqi private and public sector institutions, including Iraqi manufacturing private firms, Ministries, public and private banks, NGOs, and industry associations. UNIDO's Iraq Programme Unit in Amman (UNIDO-IPU) had since January 2004 interacted directly with Iraqi officials, experts, bankers and private sector manufacturing firms in order to understand the problems associated with the Iraqi economy. Following the planning workshop, the project was approved by the main GoI counterpart, the Ministry of Industry and Minerals (MIM), in November 2004.

For the EDIP approach UNIDO built on a concept that was initially developed at the ITPO Bahrain, adopted by the 'Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT)' in Bahrain and applied in different UNIDO projects in a number of countries. While the projects in Lebanon, Sudan and Sierra Leone were directly implemented by the ITPO Bahrain this hasn't been the case for Iraq and some other projects, which decided to use services from the ITPO Bahrain in a more targeted manner.

The approach of building on the experience made in Bahrain has been in line with the findings of the independent evaluation of the ITPO Bahrain, which recommended that UNIDO should develop a global EDIP strategy and action plan and that the ITPO Bahrain should integrate UNIDO/ PSD tools in the EDIP programme and liaise with the PSD Branch in order to foster coherence, within UNIDO, in the promotion of entrepreneurship, CSR and PSD.

In April 2007 (two and a half years after the project planning workshop), the project proposal was submitted to and approved by the UNDG Iraq Trust Fund Steering Committee. The evaluators were not able to elucidate the reasons for this important delay.

⁹ See Submission Form, dated 15 February 2007, attached to the Project Document Cover Sheet.

3.2 Intervention logic

The project intervention structure is depicted in Figure 1 above. There are two underlying approaches to the project. The main foundation for the project is the approach developed in UNIDO's tool: 'Enterprise Development and Investment Promotion (EDIP)'. This approach is applied for Enterprise Creation (EC) component, which entails creation of new enterprises as well as diversification and expansion of existing enterprises.¹⁰ The Enterprise Upgrading (EU) component was implemented by UNIDO's TCB branch which uses a different approach.

Enterprise creation and growth of existing enterprises

EDIP aims at taking a 'holistic' approach to stimulating the emergence of new and the growth of existing SMEs. The EDIP concept acknowledges the need to directly support and advise entrepreneurs while also supporting the development of institutional capacity to handle SME growth and to build up strong networks to ensure long-term sustainability.

There are four stages in the EDIP concept, preceded by pre-programme activities to make the programme fully operational. Pre-programme activities include establishing linkages with support systems in light of local socio-economic conditions and marketing of the programme. In brief, the four basic EDIP stages for enterprise creation are:

- i) Knowledge, skills and competence: occupational training to strengthen managerial skills with a view to assist setting up enterprises.
- ii) Counselling aiming at translating business ideas into reality. Entrepreneurs are helped to finalise their ideas, to draw up their business plans, to identify and select technology, to promote partnerships, to identify and establish technology tie-ups, management, etc. They also receive assistance in applying for necessary licences and completing the legal formalities.
- iii) Establishing a link with the financial scheme. An appropriate investment package is worked out and investors are advised and guided on completing the required formalities for seeking loan support from the most appropriate financial schemes. The counsellor acts as a link between the investor and the financial institution.
- iv) Guidance through the project implementation plan. Assistance is provided to facilitate essential links with institutions providing infrastructural services. The business counsellor monitors and guide to the stage of project becoming fully operational.

The basic intervention logic is thus to provide advisory and counselling support, in order to build capacity and transfer knowledge. The entrepreneurs themselves are expected to take own responsibility for implementing each step in setting up, or diversifying or expanding, their enterprises.

The full implementation of the four EDIP stages presupposes access to necessary public administrative services (licenses and legal formalities). The EDIP approach further presupposes access to marketing and technology as well as to finance.

¹⁰ For details about the EDIP concept, see: UNIDO (2009): *Enterprise Development and Investment Promotion. The road to employment, income and prosperity.*

Enterprise upgrading

UNIDO TCB branch uses a somewhat different approach for enterprise upgrading. This approach builds on providing private sector expertise/consultants to develop/formulate diagnostic upgrading plans, which once finalised are presented to and approved by the entrepreneur him-/herself. In this approach, the entrepreneurs are thus not themselves directly involved in the formulation process. In its full extent, once the upgrading plans are approved by the entrepreneurs, the next step would be to provide more modern technology on a grant basis for selected pilot enterprises. However, for EDIP, it was clarified and agreed by the project management that once the upgrading plans for the selected companies had been prepared and approved, UNIDO would support the implementation of these through linkages with existing financing schemes, promotion of investment opportunities through UNIDO ITPO Network as well as through technology tie-up.¹¹

3.3 Project planning in light of the underlying intervention logic

The two components for enterprise development adopt a different kind of logic to support SME entrepreneurs (see section 3.2 above). As discussed above (section 1.3 and Figure 1), both components are expected to undertake the same four types of activities of training, technical support, financial facility and networking, but the project document does not explain what was expected as an added value from applying two different approaches for the same objective. Moreover, it was clear from the outset that it would not be possible to implement the upgrading approach to its full extent.

A financial facility – the Revolving Fund – was an integral part to the project. However, at time of approval of the project, there was not yet a solid solution to the Revolving Fund. Immediately before the project approval, it was noted from a Project Approval Committee meeting that:

*'Following the approval in principle of the project document by the PAC on 25 April 2007, and the receipt of the Minutes of the Procurement Committee concerning the proposed subcontract/revolving fund arrangement, the Committee emphasized again its concern with the proposed revolving fund mechanism as proposed in the project proposal. However, as the selection of the local financial institution that would manage the revolving fund would be done in accordance with existing UNIDO rules and regulations for procurement, the Committee considered that the proposal could now be formally approved. In its decision dated 11 June 2007, the Committee had requested the preparation of a letter for submission to the donor, clearly outlining UNIDO's role and responsibilities with regard to the revolving fund to be established under the project. The committee took note of the draft letter prepared by the Project manager for submission to the donor.'*¹²

This implies that not all aspects and consequences to UNIDO and the donor of the Revolving Fund were looked into before approval of the project. In effect, the project was

¹¹ UNIDO (23 February, 2009): Minutes of Meeting: *Discussing the work plan of the upgrading component for EDIP project.*

¹² See: Programme/Project Approval Committee meeting: 19-Jun-2007 in *Project Details*, Project FB/IRQ/07/004.

thus approved despite severe concerns over the design of one of the crucial components. Access to finance is key to entrepreneurs to be able to successfully establish an enterprise or up-scale an existing enterprise. No alternative project strategy for securing financing links is discussed in the Project Document.

The EDIP approach stresses the need to adapt the support system to the prevailing socio-economic conditions but the Project Document does not elaborate on the question whether the generic EDIP approach fits with the specific Iraqi context. As discussed above, the three designated Governorates differ widely in terms of their socio-economic and security situation. However, the initial approach has been the same for all three Governorates and the Project Document envisages even a scaling up to other parts of Iraq at a later stage. A more in-depth analysis of the situation in the three Governorates and an identification of potential needs for adaption to differing conditions during the planning stage would have been beneficial.

3.4 Project log-frame

A project log-frame would be expected to clearly show the intended causal chain (i.e. *inputs – activities – outputs – outcome – impact (seen over time)*).

A project log-frame would also include *indicators* at both output and outcome levels which are 'objectively verifiable' to allow monitoring of outputs and objective's achievements. Indicators should be 'SMART': *specific, measurable, achievable, relevant and time-bound*.

The Project log-frame elaborated in the Project Document presents some weaknesses in this respect. Although a log-frame matrix is used to present contents and analysis, it does not qualify as a full-fledged and appropriate project log-frame. Some of the key weaknesses are:

An *immediate objective* is the situation expected to prevail at the end of the project. However, in the project log-frame the five components have been inserted as immediate objectives. The immediate objectives in the project log-frame thus reflect the approach/activities intended by the project rather than an expected end-of-project situation.

Project *outcome indicators* (i.e. indicators associated with the immediate objectives) in the project log-frame are formulated as follows: 'increase the number of...'; 'improved performance ...'; or 'enhanced capability of..'. They are thus expressed in relative terms with no targets set and no baseline against which to measure 'increase / improvement / enhancement / etc'. It is therefore not possible to objectively verify progress at the outcome level.

Project *output indicators* shall measure tangible, specific and direct products of activities which largely are within control of the project management. The output indicators in the project log-frame are largely formulated in a measurable way.

There is some confusion about what is an 'output' indicator and what is an 'outcome' indicator. The output indicator 'At least 20 enterprises upgraded through the promotion of international partnerships (market access, technology, management know-how, etc) in each designated governorate' could for example have been an appropriate outcome indicator. It does not seem reasonable to expect that it is within the control of the project management to ensure that promotion of international partnerships will in effect result in

enterprises getting 'market access', 'technology', 'management know-how', which would be required in order to actually achieve upgrading.

A review of the *output vs. outcome indicators* in the project document log-frame reveals that they are in fact the same. The only difference lies in the fact that the output indicators are expressed in terms of specific numbers to be achieved, whereas the outcome indicators are all expressed in relative terms. The causal chain is consequently weak (or even non-existent) and the underlying intervention theory is not clearly demonstrated.

Critical assumptions represent the major external risks and uncertainties to the project and thus need to be monitored. Critical assumptions are included, but the next steps (to assess the level of threat (risk analysis) and to identify risk responses (risk mitigation) have not been taken for the EDIP project.

3.5 Risk analysis

As discussed above, the Project log-frame did not include any critical assumptions with monitoring strategy. This is a weakness in project planning for instance given that one of the key assumptions for achieving the immediate objectives (outcomes) as well as outputs is that: *'Enterprises to be rehabilitated / upgraded would have access to finance for major investments'*.

In the section on analysis of risks and assumption (section 4) of the project document it is stated that: *'Provision has been made in the project to establish a Revolving Fund of USD 1 080 000 in order to facilitate immediate upgrading/rehabilitation needs of existing enterprises and new enterprise creation. This fund, to be administered by a competent financial intermediary, is required in order to assure the achievement of the planned results.'* However, at the same time the project was approved by the Project Approval Committee even though the Revolving Fund was not finally clarified (see section 3.3 above) but without referring to the crucial importance of the Revolving Fund component, and without analysis of potential consequences for project results should it not come on line, and thus without analysis of the need for a risk management strategy and/or exit strategy. It might for instance have been appropriate to take a closer look at the functioning of the financial sector in Iraq in the three designated Governorates.

3.6 Cross-cutting issues

The Project Document Cover Sheet includes headings to analyse how the project addresses the needs of particularly vulnerable or marginalised groups as well as how the project benefits men and women respectively, and how gender issues will be addressed. The analysis on these aspects is weak in the Project Document and there is no stakeholder analysis to support decisions on targeting within the project.

The Project Document mentions that the unemployed segment of the society will be included if they have the desire to establish their own businesses but need support in doing so. There is however no mention of to what extent, or how, this segment is to be targeted and there is thus also no strategy to ensure inclusion of this segment.

When it comes to gender it is noted that employment opportunities for currently unemployed people, men and women, will be created and that special programmes targeting women entrepreneurs or internally displaced people could be organised. There is however no mention of how it will be assessed whether or not there is a need for special programmes targeting women, or how it will be monitored how many of the employment opportunities do indeed go to women. There is also no discussion as to whether the same strategy will be feasible in all three project governorates, despite the differing socio-economic situation (see section 2.1 above).

3.7 Funds mobilization

The program/project (including UNIDO support costs) is fully funded by the Italian Cooperation for Development through UNDG Iraq Trust Fund for an amount of 3,057,000 USD with no specific conditions attached.

The program/project budget across items are summarised below (Table 5). The approved budget does not include any break-down across the planned components.

Table 5: Programme/project budget

Budget category / Item description	Unit	QTY months	Total cost (USD)
1. PERSONNEL			
1.1 National Program/Project Personnel	1	18	18 000
Secretarial Support (Amman)	2	18	21 600
Office Assistant (EDUs Iraq) EDP Trainers fees (5 EDPs x 2 EDUs)			27 000
Counsellor fee (6 Business + 4 Financial (in Iraq))	10	13	312 000
1.2 International Program/Project Personnel			
Program Manager (Amman)	1	18	270 000
ToT Trainers in Amman	2	1.5	15000
Counsellor Trainers in Bahrain	2	1	10 000
Credit Officers Trainer/COMFAR trainers (Fee, DSA, Travel)	1	LS	20 000
Enterprise upgrading trainers in Bahrain/Amman	1	4.5	45 000
Enterprise diagnosis, preparation of upgrading plans and implementation of upgrading plans for 9 m/m (split missions)	3	LS	105 000
International Consultant for Training on Investment Promotion	1	3	60 000
2. CONTRACTS			
EDUs running costs (transport hire, offices rent, utilities)	2	15	81 000

Budget category / Item description	Unit	QTY months	Total cost (USD)
3. TRAINING			
Training of Trainers of EDP (DSA in Amman)		0.5	67 950
Training of Counsellors (DSA in Bahrain)	10	1	78 600
Training of Credit officers (Amman)	6	0.5	13 590
Training for enterprise upgrading/investment promotion		LS	99 540
Training material		LS	47 000
Venue and hospitality for Trainings		LS	95 000
Program Promotion for (10) EDP in Iraq	10	1	15 000
4. EQUIPMENT			
Computers/Printers for EDUs	2	1	8 000
5. TRAVEL			
ToT Participants and Experts		LS	40 500
EDP Jordanian Trainers from Amman to Iraq		LS	18 500
Credit officers	6	1	4 800
UNIDO (HQ, IPU, ARCEIT)		LS	25 000
Counsellors	10	3	24 000
Participants and Experts for Enterprise upgrading/Investment promotion		LS	73 000
6. MISCELLANEOUS			
Organizing Kick Off Meeting (travel and DSA for Iraqi participants, venue and hospitality)	1	LS	40 000
Exposure of the private sector to technical fairs, study tours, etc			60 000
Sundries			30 000
7. REVOLVING FUND			1 080 000
8. SECURITY (2%)			56 102
9. AGENCY MANAGEMENT SUPPORT COST (7%) (including Monitoring & Reporting)			196 356
TOTAL			3 057 537

The budget distribution across budget lines clearly reflects the capacity building (advisory and counselling) approach of the EDIP. Less than 0.5% of program/project costs (items 1-6 in Table 5) are set aside for equipment. All equipment is intended for the EDUs.

The Revolving Fund is a dominant budget line, equalling 65% of other program/project costs (items 1-6 in Table 5), thus reflecting the great importance attached to this component.

4

Project implementation

4.1 *General overview*

As explained above, the project adopted the generic EDIP approach to enterprise development developed by the ITPO Bahrain as a reference model and envisaged using the generic material and manuals developed by the ITPO Bahrain. The kick-off meeting and the training of trainers (ToT) and training of counsellors (ToC) sessions were organized at the ITPO Bahrain.

The Enterprise Creation (EC) component of the project was managed by the BIT/ITP Unit and the Enterprise Upgrading (EU) component by the TCB Branch. The EU component focused entirely on existing enterprises, while the EC component covered the creation of new enterprises and support to existing enterprises. However, for existing companies, the two components used different approaches. The key difference is that the EC approach requires entrepreneurs to be actively involved in their business planning whereas the EU approach makes use of professional consultants to conduct a business diagnosis and develop a business upgrading plan, which is then presented to the entrepreneur for approval. A financing facility is embedded in EDIP, which is open to all participating entrepreneurs (from both EC and EU components).

The EC component has been the implementation 'backbone' of EDIP. The Project Management Unit (PMU) in Amman, the Enterprise Development Units (EDUs) and the field staff in Baghdad, Thi Qar and Erbil come all under this component. The EU component had its own manager in Vienna but used the support functions of the EC component in the field.

The initial approach of the project has been the same for all three governorates but with a different pace of implementation and a different level of 'sophistication'. Entrepreneurs in Thi Qar belong mostly to the category of 'necessity' entrepreneurs, whereas the enterprises in Baghdad are larger in scale and those in Erbil are mid-range. As a result, requests from the entrepreneurs have been different in the three governorates and business plans in Thi Qar have not been as sophisticated as those in Baghdad. Moreover, the institutional set up varies, with the EDU in Baghdad embedded at the Ministry while the ones in Thi Qar and Erbil are hosted by the respective Chamber of Commerce. In conclusion it can be said that the project team adapted the generic EDIP approach to local conditions as required.

At the kick-off meeting, the Project Steering Committee (PSC) put on hold the initially planned output 5 dealing with investment promotion in support of 'Enhanced capabilities in FDI promotion'. This output remained on hold during the entire project period but no changes were made to accommodate the dropped component.¹³

4.2 Financial implementation

Table 6 shows a summary of the project budget initially approved together with two budget revisions.¹⁴ The budget for the upgrading component (shown *in italic* in Table 6) was handed over to the TCB branch, and subsequently accounted for separately, as seen from the first revision. The final revised budget is then shown, followed by stated uncommitted balances as per 1 December 2010.

Three budget extensions have been requested and approved by the UNDG ITF in the course of the project. When requesting the second budget extension the project management also requested, and received approval of, a movement of funds between project budget lines. Movements of funds were requested to facilitate the operation of the revolving fund, thus reallocating USD 80 000 to undertake technical assistance activities to build up financial institutions and SMEs. Given the time extension of the project, national and international contracts had to be extended which required additional funds. Funds for additional training courses and travel costs were also requested.¹⁵ The third extension of the project was requested to allow for an external evaluation which was included in the budget. The extension did not require any movement of funds or budget changes.

The budget items in the project document were partly rearranged / renamed when entered into UNIDO's accounting system. The budgeted amounts for the functional titles in UNIDO's financial reporting system do however correspond to the relevant amounts in the project document (see Table 5 above). The increase in equipment is explained by the establishment of an EDU also in Baghdad, which was not initially planned for but later decided by the Steering Committee.

Overall, and when considering the approved movements of funds between budget lines, the use of the budget has been well in line with the initially approved budget. The focus remained on providing technical assistance.

¹³ According to information from the PMU, the investment promotion component of the project was very limited in size and scope. A revised and expanded version of this was proposed and approved in 2008 as a new project, namely Investment Promotion for Iraq (IPI).

¹⁴ See: Budget Revisions A-H History Report, Project No: FBIRQ07004 and FBIRQ07A04, and Snapshot Project Detail Report as of Period 201012, Project FBIRQ07004 and FBIRQ07A04.

¹⁵ UNDG ITF (June 2009): *Approval of Project Extension B*.

Table 6: Budget and expenditure overview

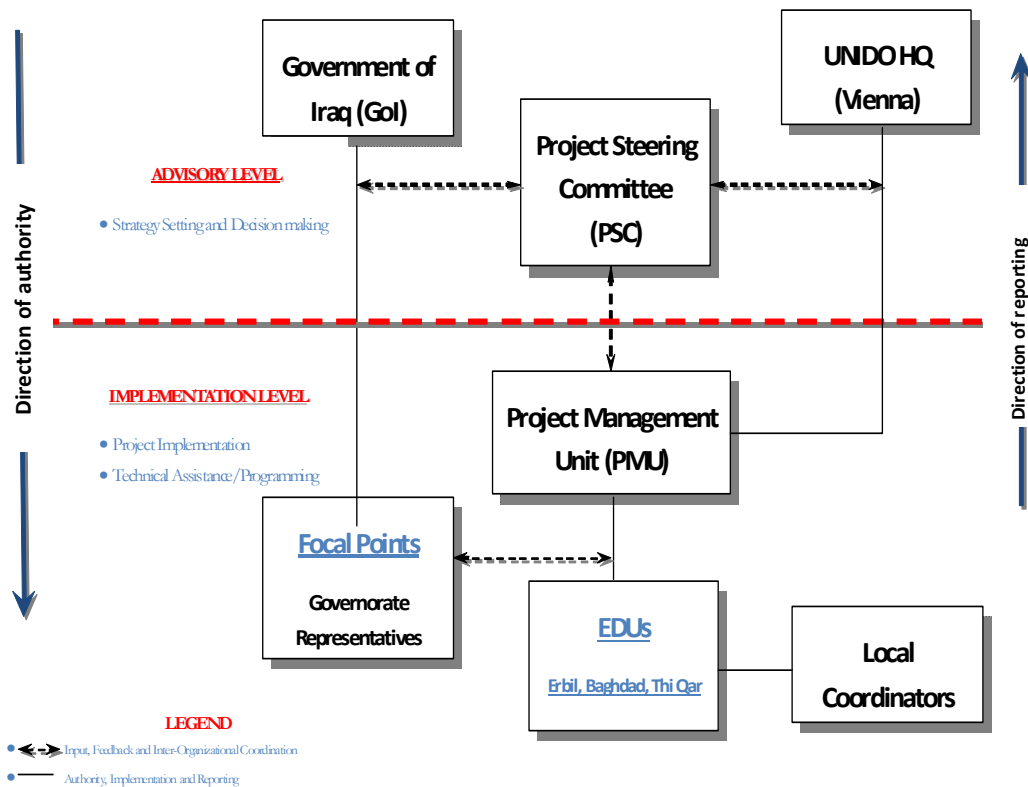
Functional title	Initial budget (USD)	Revised budget (Sept 2008) (USD)	Final revised budget (USD)	Un-committed balance (USD)
International Experts	270 000	250 000	329 206	10 000
<i>International Experts (TCB branch)</i>		<i>80 000</i>	<i>113 920</i>	<i>326</i>
Short-term international consultants	255 000	255 000	249 294	6 023
Administrative Support Personnel	41 398	66 398	86 398	377
Travel of project staff	18 500	58 500	104 789	1 231
<i>Travel of project staff (TCB branch)</i>		<i>10 000</i>	<i>10 602</i>	<i>0</i>
Other Personnel Costs	25 000	15 000	17 411	1
<i>Other Personnel Costs (TCB branch)</i>		<i>10 000</i>	<i>8 048</i>	<i>0</i>
Short-term National Consultants	339 000	84 000	86 000	4 533
<i>Short-term National Consultants (TCB branch)</i>		<i>140 000</i>	<i>35 783</i>	<i>139</i>
Sub-contracts (Revolving Fund)	1 080 000	1 100 000	1 000 000	0
Study tours/UNDP Group training/meeting	379 680	239 680	216 259	875
<i>Study tours/UNDP Group training/meeting (TCB branch)</i>			<i>112 801</i>	<i>0</i>
In-service training	50 000	50 000	96 421	-31
<i>In-service training (TCB branch)</i>		<i>120 000</i>	<i>23 378</i>	<i>0</i>
Non-UNDP meeting	182 300	182 300	178 600	558
Equipment	55 000	55 000	17 000	1
Sundries / documents/ travel of counterpart staff & Government officials	111 000	71 000	80 500	308
<i>Sundries / documents/ travel of counterpart staff & Government officials (TCB branch)</i>		<i>10 000</i>	<i>19 713</i>	<i>436</i>
Security Services	56 102	46 102	41 102	1
<i>Security Services (TCB branch)</i>		<i>10 000</i>	<i>5 755</i>	
Independent evaluations of TC projects			30 000	370
Total Project Budget (ITP branch)	2 862 980	2 482 980	2 532 980	
Total Project Budget (TCB branch)		380 000	330 000	
TOTAL PROJECT BUDGET	2 862 980	2 862 980	2 862 980	
Uncommitted Balance				24 247
<i>Uncommitted Balance (TCB branch)</i>				<i>901</i>

4.3 Management

Figure 2 illustrates the organisational structure in project implementation.¹⁶ The Project Steering Committee (PSC) provides strategic guidance and oversight to the Project Management Unit (PMU). Members in the PSC are representatives from the Ministry of Industry and Minerals, Thi Qar Provincial Council, Kurdish Regional Government, UNIDO and Ministry of Foreign Affairs of Italy (the donor).

The Project Manager, based at UNIDO HQ, holds overall implementation responsibility and takes all formal decisions on project expenditures and activities. The PMU in Amman, where the International Project Coordinator (IPC) is placed, carries out day-to-day management and is supported by the Iraqi-based Enterprise Development Units (EDUs), and Government Focal Points. Three EDUs have been established, while the Project Document mentions only two. The additional EDU in Baghdad was established at the request of the PSC.

Figure 2: Organisational structure



¹⁶ From Self-Evaluation Progress Report, p.40.

The EDUs are responsible for the day-to-day implementation of project activities in their respective Governorate. The EDUs are hosted by Chambers of Commerce and Industry in Erbil and Thi Qar respectively, with one Local Programme Coordinator (LPC) assigned to each. In Baghdad the EDU is embedded in the Ministry of Industry and Minerals (MIM), which has nominated three personnel from the Ministry to oversee and support the daily project activities in Baghdad.

A team of trainers and counsellors supports the EDU in carrying out its activities, and a team of consultants supported in the upgrading component. All trainers, counsellors and consultants have been recruited from various institutions (more details below in section 4.7).

The project is thus – as all other UN projects in Iraq– managed by ‘remote control’ due to security constraints. The successful implementation thereby becomes extremely dependent on the LPCs. While security is a contextual factor - and thus not a project specific factor - it is an issue with consequences for any project in Iraq, and an issue which can thus not be disregarded in the evaluation of EDIP. It must be recognised though that a LPC is indeed a valuable asset to a project adding local knowledge. A LPC is, however, also vulnerable to pressure from influential Iraqi stakeholders, should there be an interest to ‘capture’ the project. The vulnerability of the LPC easily spills over to becoming vulnerability also of the project.

EU vs. EC components

The above management structure is the ‘backbone’ of the EDIP. It is under the control of the EC component. The EU component was outsourced to the TCB branch in UNIDO for independent implementation. The TCB branch had its own project manager who was based in Vienna but did not have representation in the PMU in Amman or in the field. Instead it was agreed that the EC field structure would provide support in the field to the EU component as agreed and required.

Monitoring

Day-to-day monitoring, and establishing ‘checks and balances’, becomes particularly crucial but challenging within a ‘remote control’ management structure with its inherent risks for vulnerability (discussed above). The PMU has made strong efforts to establish solid routines as means of verification.

Focal points and several actively involved institutions

High level focal points were assigned in each governorate. This has provided an entry for bringing up any issues of concern in implementation.

Moreover, the trainers and counsellors represent several institutions, perceived by the IPC as contributing to avoiding the risk of capture of benefits by any specific stakeholder.

Data bases – training and counselling

A data base is kept of trained entrepreneurs, which also includes contact details.

The counselling support provided to entrepreneurs is documented in a Counselling Status Reporting (CSR) data base to give the PMU a continuous overview of progress. The CSR includes both basic information about each entrepreneurs (such as sector, product/service, status before counselling and present status) and information related to the counselling support (such as number of times being counselled, support/assistance offered by the counsellors, investment to date, employment generated and preparation of business plan). In addition, a folder is prepared for each counselled entrepreneur in which copies of all the documents which justify the support provided is filed. Such documents may be municipality license, registration in Chamber and Board of Investment (in KRG), equipment price offers, copies of prepared feasibility studies and business plans, etc.

The EU component documented the enterprise upgrading process and eventual upgrading plans, but as the enterprises participating in the EU component were also offered counselling support they are also documented in the CSR data base kept by the EC component.

The information in the CSR forms the basis for the project reporting on achievements and progress. In discussions with the project management it was clarified that 'employment generated' which is included in the CSR is in fact *expected* employment to be generated once the project takes off. Each entrepreneur was asked to estimate the number of employment opportunities that would be created.

Whereas the monitoring is rather *strong on quantitative follow up*, it *could be strengthened on the qualitative performance follow up*. The CSR does for instance not give easy indication about who is in charge of the counselling for each entrepreneur, which might have helped to follow up counsellors on an individual basis.

What is available are counseling reports submitted by the councilors. These reports document the details of sessions they held with each entrepreneur. The reports require signatures of the counselor, UNIDO Local Coordinator and institutionally-nominated Head of EDU for certification. These reports thus confirm that each session has been held and the contents. These reports also serve as input to project mentoring of the counselors. There is, however, no regular qualitative monitoring or progress reporting from the project which systematically monitors and assesses performance of counsellors.

There is also no monitoring of the beneficiaries' perception of quality of services provided by the counselors. The number of counselling sessions per entrepreneur varies rather considerably, which may of course be reasonable depending on the complications. Yet, given the incentive structures it may also be that certain counsellors push entrepreneurs for counselling sessions in order to increase remuneration. There were indications during the field missions to Erbil that some counselling sessions might have been 'supply-driven' and not always seemed entirely meaningful to the entrepreneur. Complaints were that in many instances the problem was not lack of knowledge and need of counselling, but rather that government procedures moved extremely slowly and hampered the entrepreneurs. Moreover, the project's strong focus on institutional capacity building is not accompanied by any monitoring of performance of the EDUs.¹⁷

¹⁷ The agreed follow-up project, Enterprise Development through Information and Communication Technologies (EDICT), has however developed a set of indicators to overcome this weakness.

The project document mentions that special measures targeting women entrepreneurs could be organised. This might, or might not, be needed. Yet, in order for the project management to make informed decisions of whether there is such a need, the monitoring system must lend itself to gender disaggregated analysis, which it does not yet.

Training and workshop reports and minutes

Written final reports and/or minutes have been prepared from each training and workshop. A consolidated list of all trained counterpart staff, summarising who participated in which training was easily provided by the PMU to the evaluator upon request.

Video and telephone conferences

Contacts between the PMU in Amman and the EDU staff in Baghdad, Thi Qar and Erbil were frequent. Video and/or telephone conferences were used to coach, discuss and solve issues as they arose.

Ad-hoc missions

The PMU has also undertaken 3 missions to Erbil and 1 to Baghdad to follow up training and verify counselling status reports.

During these missions interviews and discussions were also held with entrepreneurs/enterprise management and investors. In this respect, it is however an inherent weakness in 'remote-controlled' projects that the degree of independence was by necessity limited for the visiting PMU staff from Amman. Given UN security restrictions the PMU had to depend on the same structures whose performance was to be verified.

Progress reporting

The UNIDO project management fulfilled all progress reporting as required. Meeting notes of PSC, Local PSC and technical meetings were prepared and semi-annual progress reports submitted to the UNDG UTF. In particular, a comprehensive self-evaluation progress report has been prepared and submitted.¹⁸

4.4 Enterprise upgrading component

The EU component implemented activities in support of output 1: 'Improved performance, including access to foreign markets, of existing businesses resulting from upgrading'. The enterprise upgrading component (EU) was 'outsourced' to the TCB branch of UNIDO.

The EU component has been supported by the PMU and the EDU/LPC in the field and got a somewhat slow start. The project kick-off was in February 2008 but the budget of this component of USD 380 000 was only allocated in October 2008 (see Table 6). Activities started in December 2008.

¹⁸ UNIDO (September 2010): *Self-Evaluation Progress Report. Enterprise Development and Investment Promotion Project*, Amman.

The limited budget implied that the EU component could not independently fulfil an entire cycle of enterprise upgrading. The TCB branch independent activities were limited to assessing companies, formulating upgrading plans, and training consultants to do so. The EU component was therefore concluded beginning 2010. Remaining elements of support to the EU participating entrepreneurs, such as technology sourcing, market access and financing, were as per project management agreement transferred to become integrated into the EC component. Once the upgrading plans were finalised and approved by the entrepreneurs, the participating entrepreneurs were offered counselling provided by the EC component as well as invited to study tours and other relevant EC activities.

4.4.1 National consultants for industrial upgrading

Counterpart staff was nominated to be trained to become national industrial upgrading consultants (for further details on selection and training of counterpart staff, refer to section 4.7 below). Normally, national consultants for industrial upgrading would be recruited from the private sector, but not in this project. The formal reason being referred to is that there is no real private sector to recruit from in Iraq. Reluctance of the project counterparts to involve the private sector as consultants has also been suggested as a reason.

A first phase of the training program in enterprise upgrading/growth was provided in December 2008 for counterpart staff from Thi Qar and Erbil. A similar training was provided for counterpart staff from Baghdad at a later stage (July 2009). The subjects included marketing management, production and quality issues, financial management, industrial development and modernization. As a result of the phase one training, the UNIDO trainers designed a diagnostic tool. It clarifies the areas that have to be tested during performing any diagnostic process of SMEs in Iraq. Training on how to use these tools were also provided in a second phase of the training program.

Five criteria were used to select the consultants from among the trained counterpart staff: i) grades given by trainers; ii) background and professional experience; iii) participation in training; iv) commitment showed during the training; and iv) personality (communication skills). Eventually 16 were selected: 5 for Baghdad, 5 for Thi Qar, and 6 for Erbil.

The selected consultants were provided all necessary tools to conduct diagnostic assessments of enterprises and to develop upgrading plans, but were not fully coached in performing the subsequent tasks. Selected local consultants would normally be regularly coached by an international consultant, but in Iraq this was not possible due to security reasons. The international consultant went to Erbil once and the remaining support was provided under 'remote control'. The EDU supported in the monitoring of the work of the national consultants.

4.4.2 Upgrading plans

Selection of entrepreneurs for upgrading

The selection process was similar in all three governorates, starting in Thi Qar and Erbil. Agri-business was selected as pilot sector and agri-business sector briefs for Thi Qar and Erbil were prepared by national consultants in preparation for the selection of enterprises.

The sector briefs included a brief SWOT analysis which identified cross-cutting weaknesses in both governorates in terms of irregular electricity supply, lack of skilled labor, and government red tape and bureaucracy.¹⁹

The Chamber of Commerce in each governorate invited as many entrepreneurs as possible to an information seminar. The entrepreneurs were given a presentation of the EU component. Interested entrepreneurs filled out a questionnaire/application which had been provided by the TCB branch in Vienna. The project received some 39-45 applications each from Thi Qar and Erbil.²⁰ In Baghdad 52 enterprises submitted an application.²¹

Four selection criteria were applied: i) ability to finance & invest in upgrading process; ii) size of the company in terms of number of employees; iii) capital size; and iv) age or experience of the enterprise (operating since more than 5 years).²² Based on these criteria 34 enterprises were selected in total, 11 from Erbil and Thi Qar and 12 from Baghdad.

Diagnostic process and development of upgrading plans

Diagnostic reporting and development plan templates were designed to facilitate the process. The national consultants worked in teams and paid field visits to each of the selected enterprises to gather necessary information.

The national consultants from Erbil and Thi Qar benefitted from in-the-field support from the UNIDO international expert when initiating the diagnostic process. During the rest of the diagnostic process and in the development of upgrading plans for the selected enterprises, the UNIDO experts provided support 'remotely'. Reports were sent from the national consultants to the UNIDO international experts, who reviewed and corrected and returned them to the national consultants.

The final upgrading plans were submitted to the respective enterprise for approval, and for them to act upon. In the final technical report from Thi Qar and Erbil, it is underlined that UNIDO is not responsible for the accuracy of the data that were gathered and used in the final reports and the development plans.²³ No similar note is included in the final report from Baghdad. Instead it was noted that many of the entrepreneurs had expected to receive financial support.²⁴

The enterprises participating in the EU component were invited to participate in the counselling provided through the EC component.

¹⁹ (June 2008): *Agri-business in Erbil and Thi Qar. Sector Briefs prepared for UNIDO's Enterprise Development Programme.*

²⁰ Discussions with PMU/Amman.

²¹ UNIDO (March 2010): *Final Report*, TCB branch.

²² UNIDO (March 2010): *Final Report*, TCB branch.

²³ UNIDO (August 2009): *Final Technical Report*, TCB branch.

²⁴ UNIDO (March 2010): *Final Report*, TCB branch.

4.4.3 Evaluation survey findings

Profile of participating entrepreneurs

The evaluation survey covered 4 enterprises in Thi Qar and 2 in Erbil. Basic characteristics are shown in Table 7. All interviewees are men aged 41-50. The average schooling in Thi Qar was 10 years (no reply given for interviewees in Erbil).

Table 7: Characteristics of participating entrepreneurs
(Number of persons)

Feature	Baghdad		Thi Qar		Erbil	
Gender						
Women		(-)		(0)		(0)
Men		(-)	100%	(4)	100%	(2)
Age						
40 years		(-)	10%	(1)		(-)
41-45 years		(-)	13%	(2)	50%	(1)
46-50 years		(-)	13%	(1)		(-)
51 and above					50%	(1)
Average				45		64
School Education						
Intermediary 7-9 years		(-)	50%	(2)		(-)
Secondary 12 years		(-)	50%	(2)		(-)
(no reply)					100%	(2)
Average				10.5		-

Enterprise upgrading or expansion and employment

Table 8 shows that 50% of the participating enterprises either expanded, diversified, or upgraded its technology. In Thi Qar, one enterprise diversified and one upgraded its technology in response to the upgrading plans, whereas two enterprises made no changes. In Erbil, one enterprise expanded and one made no changes. No explanations as to why were included in the survey reports.

Table 8: Enterprises in upgrading
(Number of enterprises)

Enterprise	Baghdad		Thi Qar		Erbil	
Expanded existing		(-)		(-)	50%	(1)
Diversified existing		(-)	25%	(1)		(-)
Upgraded technology		(-)	25%	(1)		(-)
Nothing		(-)	50%	(2)	50%	(1)
Reasons why did nothing						
No explanation		(-)	100%	(2)	100%	(1)
Increase in number of employees						
Before		-		9		0
Now		-		13		0
Increase		-		4		0

Based on the survey findings few new employment opportunities were generated (4 in Thi Qar and none in Erbil). Considering the survey coverage for Thi Qar (one third of the enterprises were surveyed) this would correspond to a total of 12 new employment opportunities in Thi Qar for the 12 participating enterprises.

Networks

Table 9: Networks established
(Number of enterprises)

	Baghdad		Thi Qar		Erbil	
	Yes	No	Yes	No	Yes	No
Network established	-	--	2	2	2	0
Easy to contact project	-	-	3	-	2	0
(No reply)	(-)		(1)		(-)	

As for perception of established network, both enterprises in Erbil perceive there is now a network and both also find it easy to contact a project representative. Table 9 shows that in Thi Qar two of the enterprises perceive there is a network, whereas two do not. Three of the enterprises in Thi Qar find it easy to contact project representatives (one no reply).

4.4.4 Enterprise upgrading output, outcome and impact analysis

Outputs and activities in project document

Table 10 shows the output description and associated activities as per the project document. The evaluator's assessment of status at time for evaluation has been inserted.

Table 10: Project document output and activities for EU component

No.	Output description	Status
1.1	Improved performance, including access to foreign markets, of existing businesses resulting from upgrading	
	At least 10 enterprises assisted in re-starting their operations	Not implemented as PSC decided not to include inactive enterprises
	At least 25 existing enterprises upgraded in specific functional areas (marketing, production, quality management, etc)	Partly achieved (through entrepreneurs' own financing)
	At least 20 enterprises upgraded through the promotion of international partnerships (market access, technology, management know-how, etc) in each designated Governorate	Partly achieved in Erbil. Not achieved in Thi Qar and Baghdad
No.	Activity description	Status
	Enterprise upgrading	
1.1.1	Organization of awareness seminar for stakeholders (public and private) to explain the scope of technical assistance under the project	Implemented

No.	Output description	Status
1.1.2	Identification of priority sectors and their need for enterprise rehabilitation/upgrading	Implemented for Thi Qar and Erbil
1.1.3	Development of criteria for selection of enterprises for rehabilitation and upgrading	Implemented
1.1.4	Enterprise level assessment to determine scope of rehabilitation/upgrading and to obtain agreement of enterprise management on follow up action	Not implemented
1.1.5	Selection of 10 enterprises for rehabilitation	Partly implemented; diagnostics assessment and upgrading plans in place
1.1.6	Preparation of rehabilitation plan for each enterprise	Upgrading plans prepared; not rehabilitation plans
1.1.7	Support for the mobilization of resources (local and foreign) including networking with UNIDO ITPO offices for promotion of foreign partnerships	Not implemented
1.1.8	Following activity 1.1.4, selection of around 30 enterprises for upgrading in selected functional areas	Partly implemented
1.1.9	Carrying out functional diagnosis and preparation of upgrading plans for minimum 25 enterprises	Implemented
1.1.10	Upgrading/introduction of quality management and other business performance improvement systems	Not implemented
1.1.11	Following activity 1.1.9, selection of 20 enterprises which require foreign partnerships (market access, technology, management know-how etc)	Not implemented
1.1.12	Organization of study tours to promote foreign partnerships	Partly implemented through EC component; study tours to fairs
1.1.13	Support (joint venture negotiation, technology transfer) in the implementation of upgrading plans for at least 20 enterprises requiring foreign partnerships	Not implemented

All activities related to producing the upgrading plans have been implemented as expected. Those not implemented would have required access to funding for additional implementation of the EU component. Some of the activities have been supported through the EC component instead, such as study tours to fairs.

The budget allocated to the EU component was limited. In particular, no budget was planned in the project document for providing equipment or other inputs as a grant, which would have been a next step for the approach of the implementing TCB branch. Without control over such inputs, the outputs mentioned in the project document (Table 11) would correctly have to be seen as outcomes (see also section 3.4 above).

Outcome and impact

The expected outcomes of the EU component have, for reasons discussed above, not been attainable within the project framework. The upgrading plans do however provide a basis for enterprises to take steps to upgrade their enterprises. The survey findings indicate that 50% of the enterprises have taken actions to expand, diversify, or upgrade their enterprises. The extent to which this figure is valid remains to be seen. Similarly it re-

mains to be seen to what extent sustainable job opportunities are generated. A risk factor is that the upgrading plans may soon be outdated and no longer up to standards in a business environment which changes as rapidly as the Iraqi.

4.5 Enterprise creation component

The Enterprise Creation (EC) component implemented output 2: 'Increase in the number of enterprises created in the SME sector and increase in the number of sustainable jobs generated'. It thus targeted entrepreneurs wishing to establish an enterprise, as well as existing enterprise which the entrepreneur wished to develop further.

Table 11 shows the output and activities as per the project document together with the evaluator's assessment of the status at the time of the evaluation.

Table 11: Outputs of EC component as described in the project document

No	Output description	Status
2.1	Increase in the number of enterprises created in the SME sector and increase in the number of sustainable jobs generated	
	At least 100 potential entrepreneurs trained in Enterprise Creation in each designated Governorate	Achieved
	At least 60 new businesses (micro-small) established in each designated Governorate	Partly achieved
	Around 200 job opportunities created in each designated Governorate	Partly achieved
No.	Activity description	Status
2.1.1	Promotion of the enterprise development programme (new enterprise creation) through mass media and seminars	Implemented
2.1.2	Identification of around 100 potential entrepreneurs and selection of around 60 entrepreneurs per governorate	Implemented
2.1.3	Training of entrepreneurs in enterprise creation (project identification, formulation, preparation of business plans and project implementation) – 5 programmes	Implemented
2.1.4	Assistance in technology tie-ups, equipment selection, etc.	Unclear
2.1.5	Assistance in the preparation of at least 60 business plans	Implemented
2.1.6	Continuous mentoring support to entrepreneurs in establishing enterprises	Implemented through counselling
2.1.7	Assistance in complying with legal and administrative procedures	Implemented

All activities have been implemented, except assistance in technology tie-ups and equipment selection. It seems that, under the EC approach, technology tie-ups are difficult to establish because the project philosophy is to provide technical assistance, access to knowledge, and access to networks to the entrepreneurs. It will thus largely hinge on the entrepreneurs themselves to what extent they succeed in technology tie-ups through

contacts. The project can only provide contacts and there is no record of technology tie-ups and equipment selection in the data bases and progress reporting.

To a certain extent the EC and EU components worked with the same target group, using different methodologies and working with different entrepreneurs. The EC component trained trainers to train entrepreneurs and provided business advisory services, but did not perform the tasks of the entrepreneurs. By contrast, the EU component trained consultants who then conducted diagnostic plans and formulated upgrading plans, which were subsequently endorsed by the entrepreneurs (see above).

With regard to output achievement, 100 entrepreneurs have been trained in Baghdad and in Thi Qar and 123 in Erbil (see Table 1 above). This means that, according to the project progress report, the output target of 100 trained entrepreneurs was exactly met in Baghdad and in Thi Qar and exceeded by 23% in Erbil.

As discussed in section 3.4 above, only the first “output” target in Table 11 is a real *output* target. Targets two and three are actually *outcome* indicators because the establishment of businesses and the creation of jobs hinges on external factors that are not under the control of the project (see discussion in section 4.5.3 below).

4.5.1 Training and counselling of entrepreneurs

Entrepreneurs were offered training in business entrepreneurship by a team of trainers (ToTs) trained by the project (see further section 4.7 below). Once the entrepreneurs ‘graduated’ from the training, they were offered the opportunity to receive business advisory/counselling services provided by a team of counsellors (ToCs) who were also trained by the project (see further section 4.7 below). The ToTs and the ToCs were all supported by the EDUs and the LPCs.

Selection of entrepreneurs

The number of applicants exceeded the number of available training seats. The Head of the EDU and the team of trainers formed a selection committee in each governorate. Criteria included a good project idea but the selection committee also aimed at assessing the degree of commitment of the entrepreneurs.

The selection rate varied between the governorates. The largest number of applicants were received in Thi Qar (approximately 160 applicants for 100 seats), followed by Erbil (approximately 120 applicants for 100 seats) and the fewest in Baghdad. According to the project management, in Thi Qar a training certificate was sufficient to find a job in the provincial government, which may explain the high number of applicants. There is however no data base from which to see who applied, which scores were given, who was or was not selected and the criteria on which these decisions were made.

Training

In Thi Qar and Erbil training was provided in the evenings to suit the entrepreneurs who worked during day time. For security reasons the training in Baghdad was conducted during daytime.

During the first training course, the project used standard training material from the ITPO Bahrain. However, this material was adapted to the Iraqi context in early 2009 after the first round of trainings.

Counselling

Approximately 63% of trained entrepreneurs continued into counselling (205 out of 323 trained, see Table 1). Counselling sessions were individual. The counselling subjects were adapted to suit the specific project idea and individual needs of each entrepreneur.

Each counselling session was documented in the individual files which were kept by the EDU/LPC. A short description of the counselling sessions was also inserted into the Counselling Status Reporting (CSR) system (see section 4.3 above).

4.5.2 Evaluation survey findings

Profile of participating entrepreneurs

Table 12: Characteristics of participating entrepreneurs
(Number of entrepreneurs)

Feature	Baghdad		Thi Qar		Erbil	
Gender						
Women	0%	(0)	11,5%	(3)	12,5%	(3)
Men	100%	(21)	88,5%	(23)	87,5%	(21)
(no reply)				(1)		
Age						
20-25 years	24%	(5)	11,5%	(3)	12,5%	(3)
26-30 years	28%	(6)	15,5%	(4)	12,5%	(3)
31-35 years	38%	(8)	15,5%	(4)	29%	(7)
36-40 years	5%	(1)	11,5%	(3)	21%	(5)
41-45 years	0%	(0)	11,5%	(3)	21%	(5)
46-50 years	0%	(0)	27%	(7)	4%	(1)
51 years and above	5%	(1)	7,5%	(2)	0%	(0)
(no reply)				(1)		
Average		30		39		36
School Education						
0-3 years	0%	(0)	0%	(0)	20%	(2)
Primary 3-6 years	9,5%	(2)	7%	(2)	10%	(1)
Intermediary 7-9 years	9,5%	(2)	15%	(4)	10%	(1)
Secondary 12 years	76%	(16)	78%	(21)	30%	(3)
College and BA 16 years	5%	(1)	0%	(0)	30%	(3)
(no reply)						(14)
Average		11		9		10
Occupational Status before Training						
Own enterprise	9,5%	(2)	22%	(6)	67%	(16)
Self-employed	52,5%	(11)	37%	(10)	25%	(6)
Employed	0%	(0)	19%	(5)	8%	(2)
Unemployed	38%	(8)	22%	(6)	0%	(0)
months unemployed						
3		(0)		(1)		
12-15		(5)		(3)		
20-24		(1)		(2)		
84		(1)		(0)		
No reply		(1)		(0)		

The basic characteristics of the participating entrepreneurs are seen from Table 12 above. It is firstly noted that the share of women is low (ranging from none in Baghdad to a little more than 10% in Erbil and Thi Qar). In discussions with the EDU and LPC it was clarified that specific measures had not been taken to reach out to women, but that women were welcomed in the same way as men.

The average, as well as the median, *age* among surveyed entrepreneurs is lower in Baghdad than in Thi Qar and Erbil. This is accompanied by a substantially higher rate of *unemployment* among the participants in Baghdad than in the other two governorates. It is particularly noted that in Erbil none of the surveyed entrepreneurs was unemployed. Most unemployed participants had been unemployed less than two years (in Thi Qar as well as in Baghdad).

In Baghdad and Thi Qar a vast majority had completed 12-16 years of *schooling* (around 80%). In Erbil, equal shares (30%) had completed 0-6 years, 12 years and 16 years of schooling, and 10% had completed 7-9 years.

Perceived usefulness of training and training material

Table 13: Perception of provided training
(Number of entrepreneurs)

	Baghdad		Thi Qar		Erbil		
Training sufficient	Yes	80%	(16)	84%	(21)	96%	(23)
	No	20%	(4)	16%	(4)	4%	(1)
	(No reply)		(1)		(2)		
Training useful	No	5%	(1)	4%	(1)	0%	(0)
	A little	25%	(5)	33%	(9)	43%	(10)
	Very much	70%	(14)	63%	(17)	57%	(13)
	(No reply)		(1)				(1)
Use of training material	No	24%	(5)	12%	(3)	8%	(2)
	A little	38%	(8)	48%	(12)	59%	(14)
	Very much	38%	(8)	40%	(10)	33%	(8)
	(No reply)				(2)		

An overwhelming majority of the surveyed entrepreneurs found the training to be sufficient (see Table 13). A majority also found the training to be useful. In this case there are however differences between the three governorates as to whether the training was 'very useful' or 'a little useful'. In Erbil less entrepreneurs found the training to be 'very useful' than in the other two governorates.

As for usefulness of training material, a majority in Erbil (59%) found the material to be 'a little useful' whereas only 33% found it to be 'very useful'. In Baghdad, a larger share than in the other two governorates found it not to be useful (29% in Baghdad compared to 12% and 8% in Thi Qar and Erbil respectively).

Perception of support after training

When asked if they had received further support after the first training, the vast majority responded 'no' (Table 14). Those entrepreneurs who said that they did receive support characterized this support as 'advice', 'follow-up' or 'information'. One found that the received support had been of 'limited' quality but all others found it to be good and useful. One had also received financial support, which was however said not to be sufficient.

Table 14: Support after finalising training
(Number of entrepreneurs)

		Baghdad		Thi Qar		Erbil	
Support after training	Yes	14%	(3)	15%	(4)	4%	(1)
	No	86%	(18)	85%	(23)	96%	(23)

Counselling after training

According to the project data base, a large share of the interviewed entrepreneurs had benefitted from counselling (45 out of 72, i.e. 63% as seen from Table 15).²⁵

Table 15: Counselling after finalising training
(Number of entrepreneurs)

		Baghdad		Thi Qar		Erbil		Total	
Support after training	Counselled	43%	(9)	56%	(15)	88%	(21)	63%	(45)
	Not counselled	57%	(12)	44%	(12)	12%	(3)	37%	(27)

Source: a comparison of entrepreneurs interviewed in survey to CSR status (July 2010).

The discrepancy between the findings of the evaluation survey and the more positive data from the project data base seem to imply that either access to counselling is not seen as support or that the survey question was misunderstood by a majority of the respondents (although understood by some). This should also be seen in the Iraqi context in which expectations for 'freebies', free loans/machinery/etc are high - historically and still today in many donor projects.

An open-ended question was put to learn what kind of support the entrepreneurs would need. An overwhelming majority said they would need financial support/loans. A few specified the need for being supplied with modern machines, and some noted the need for support from the government in e.g. shortening official procedures, limiting cheap imports, finding suitable locations.

The replies to the open-ended questions correspond very well to the information gathered by the evaluator during field mission to Erbil (see above section 4.3).

²⁵ Comparing interviewees to information in EDIP Counselling Status Report (July 2010).

Occupational status after training

Table 16 shows the survey findings on variations in occupational status before and after training. Employment effects seem to have been most prominent, with 1, 3 and 4 entrepreneurs moving into employment in Baghdad, Thi Qar and Erbil respectively. In Baghdad and Thi Qar one previously unemployed has moved into employment.

Table 16: Occupational status before and after training
(Number of entrepreneurs)

Occupational Status	Baghdad		Thi Qar		Erbil	
Before Training						
Own enterprise	9,5%	(2)	22%	(6)	67%	(16)
Self-employed	52,5%	(11)	37%	(10)	25%	(6)
Employed	0%	(0)	19%	(5)	8%	(2)
Unemployed	38%	(8)	22%	(6)	0%	(0)
After Training						
Own enterprise	19%	(4)	22%	(6)	58%	(14)
Self-employed	43%	(9)	30%	(8)	17%	(4)
Employed	5%	(1)	30%	(8)	25%	(6)
Unemployed	33%	(7)	18%	(5)	0%	(0)

In Baghdad, two entrepreneurs moved from 'self-employed' to 'enterprise owning'.

4.5.3 Enterprise creation outcome and impact analysis

Enterprise creation or expansion after training

Table 17 shows that the majority of entrepreneurs did not establish a new enterprise or expand/diversify the existing one. The most frequent reason given for not establishing an enterprise was lack of finance.

The survey findings on enterprise creation differ from the figures presented in the self-evaluation report, which states that while no new enterprise was created in Baghdad, three enterprises were created in Thi Qar and seven in Erbil.²⁶ An extrapolation of these findings considering the survey coverage of 21% in Baghdad, 22% in Thi Qar and 24% in Erbil (see Table 1) would mean that a total of 10, 18, and 13 new enterprises were established in Baghdad, Thi Qar and Erbil respectively. These figures would considerably exceed the achievements cited in the self-evaluation report.

Similar differences are found for expanded/diversified enterprises. The self-evaluation cites an achievement of 0 for Baghdad, three for Thi Qar and 46 for Erbil. The survey findings would imply that the number of expanded/diversified enterprises is 23 in Baghdad, 45 in Thi Qar and 21 in Erbil. In this case, the achievement in Erbil is far less than cited in the self-evaluation report, whereas the achievements in Baghdad and Thi Qar are more positive.

For entrepreneurs who expanded/diversified their enterprise, a majority (80% in Baghdad and Erbil and 70% in Thi Qar) replied that an expansion diagnostic plan/diversification plan had been developed with project support. In Baghdad and Thi Qar, all entrepreneurs

²⁶ UNIDO (September 2010): *Self-Evaluation Progress Report*, Figure 6, p25.

who had established new enterprises replied that the project had supported them in developing a business plan.

Table 17: Entrepreneurs' post-training achievements
(Number of entrepreneurs)

	Baghdad		Thi Qar		Erbil	
Enterprise						
Established new	9,5%	(2)	15%	(4)	12,5%	(3)
Expanded existing	14%	(3)	4%	(1)	21%	(5) ^{a)}
Diversified existing	9,5%	(2)	33%	(9)	0%	(0)
Upgraded technology	0%	(0)	11%	(3)	17%	(4) ^{a)}
Did not do anything	67%	(14)	37%	(10)	58%	(14)
Reasons why not establish enterprise						
Financial reasons	69%	(9)	75%	(9)	79%	(11)
In planning, but lack funds		(-)	17%	(2)	14%	(2)
Need support to get equipment	8%	(1)		(-)		(-)
Got a job		(-)		(-)	7%	(1)
Challenge to get approvals from government (no reply)		(-) (1)	8%	(1)		(-)
Increase in number of employees						
Before		36		42		30
Now		104		79		44
Increase		189%		88%		47%

^{a)} 2 entrepreneurs both expanded and upgraded technology.

In Erbil, one of three replied that the project had supported in preparing the business plan. This would imply that less plans were formulated in Baghdad and Erbil, but more in Thi Qar as compared to the achievements reported in the self-evaluation report.²⁷ One potential explanation may be that the management team approved business plans only once fully completed according to the provided template/format. While Thi Qar has prepared many financial plans, these were not recorded by UNIDO as business plans, since they do not conform to the template. However, entrepreneurs may find the financial plan sufficient for their purposes and consider it as a business plan.

Networking

The survey confirms that most participating entrepreneurs perceive that a network has been established. Table 18 shows that this perception is, however, weaker in Baghdad than in Thi Qar and Erbil.

²⁷ UNIDO (September 2010): *Self-Evaluation Progress Report*, Figure 6, p.29.

Table 18: Network established
(Number of entrepreneurs)

	Baghdad		Thi Qar		Erbil	
	Yes	No	Yes	No	Yes	No
Network established	13	8	24	1	23	0
(No reply)	(0)		(2)		(1)	
Easy to contact project	15	6	23	2	21	2
(No reply)	(0)		(2)		(1)	

The entrepreneurs further found it easy to get in touch with a representative from the project; either the trainer/counsellor, the LPC or the Head of EDU.

Employment generated

The number of employment opportunities generated (based on the survey findings) differs rather significantly between the three governorates (68 in Baghdad, 37 in Thi Qar and 14 in Erbil). Considering that the survey coverage was 21% in Baghdad, 22% in Thi Qar and 24% in Erbil (see Table 1), an extrapolation of the survey findings would imply that the total number of employment opportunities generated by the project was 324 in Baghdad, 186 in Thi Qar, and 58 in Erbil.

These findings of the evaluation survey differ considerably from the corresponding figures in the self-evaluation report (0 for Baghdad, 8 for Thi Qar and 362 for Erbil).²⁸ There may be several reasons for this, one of course being that the survey is not very reliable. However one should also take into account that the figures in the self-evaluation report reflect the entrepreneur's own estimates *at the time when they entered the project*. It might thus be that in Erbil there is an 'over-optimism' when it comes to what is a reasonable outcome, whereas the opposite is the case in Thi Qar and Baghdad.

Discussion of outcome and impact findings

It must be kept in mind that extrapolating the findings of the evaluation survey is problematic. However, it can also not be excluded that some of the information in the project internal data bases is compromised on certain aspects.

Employment opportunities generated is one of the issues where the findings of the evaluation survey and the self-evaluation report are different. It has been clarified that the information in the CSR (which provides the basis for the self-evaluation reporting) about employment opportunities generated is based on the *expectations* of the individual entrepreneurs how many employment opportunities would be generated once their project ideas take off. The evaluation survey findings build on two questions to each interviewed entrepreneur: i) number of employees today and ii) number of employees before participating in project training and counselling. The difference between the two replies provides the survey estimate about employment generated.

²⁸ UNIDO (September 2010): *Self-Evaluation Progress Report*, Figure 11, p.29.

The differences between evaluation survey findings and the data in the CSR database are however rather consistent in the sense that Erbil comes out less favourably in the evaluation survey than in the self-evaluation report, whereas Thi Qar and Baghdad generally come out more favourably.

Notwithstanding the differences between the two sources, there is no doubt that the EC component has been rather successful in achieving what it set out to achieve as per the project document. In this respect, it deserves to be recalled that the establishment of new enterprises and generation of employment has taken place without access to financial support from the project. Dynamics have thus been initiated through the opportunity to receive technical assistance, study tours, etc.

4.6 The Revolving Fund

4.6.1 Establishing the revolving fund

The revolving fund supports output 3 in the project document: 'Increase in the number of existing enterprises and potential entrepreneurs accessing the Revolving Fund for upgrading/rehabilitation and new enterprises creation'.

A strategy paper on the Revolving Fund was finalised in March 2008.²⁹ It includes an overview of financial institutions, a suggested operational strategy of the fund, and a discussion of pros and cons for different types of financial institutions: state-owned banks, private banks and non-bank financial institutions. The paper also proposed next steps in setting up the Revolving Fund.

The findings and recommendations were presented and discussed at the 'Kick-off meeting', and it was agreed to hold separate consultations with selected private banks, state-owned banks and non-bank financial institutions in order to understand their availability and contributions to manage the Revolving Fund.

Eventually a tendering process in accordance with UNIDO rules was launched beginning 2009. Upon the Commercial evaluation of the bidding process (February 2009) it became evident that a number of issues remained unresolved in the design/project document as regards the Revolving Fund. Elements such as liability of UNIDO vis-à-vis the donor, exit strategy and type of disbursement to selected financial institutions (loan or grant) were issues not present in the project document. These issues were then discussed and clarified during a Steering Committee Meeting in Rome (April 2009) and a new bidding process was launched in June 2009. The contract was signed with the sub-contractor (AMALKOM) in February 2010, the funds were delivered by UNIDO Contract Department beginning August 2010, and the Revolving Fund became operational in September 2010.

The implementation of the Revolving Fund has thus been slow. The unresolved concerns regarding the Revolving Fund, which were raised by UNIDO Project Approval Committee in relation to the approval of the project (see project planning section 3.3 above), have

²⁹ August, Chris and Abu-Arja, Majdi (March 2008): *Preliminary SME Revolving Fund Strategy Paper*, Banking Solutions International and Business Development Center, Amman.

proven time-consuming to solve. It seems that there was no previous experience in UNIDO of implementing a revolving fund embedded in a project.³⁰

The project document is explicit that the Revolving Fund is a credit facility, i.e. it will provide loans but not grants. This approach has also been endorsed by MIM and other stakeholders. A training workshop for counterpart staff on financial counselling was further held in December 2009. The EDUs have informed all trainers about what the credit facility means, and the trainers have supposedly informed the entrepreneurs. Notwithstanding, it has been difficult for project staff to get the message through that EDIP will not provide grants. This was also evidenced as part of the evaluation survey, where several interviewees complained that the project had promised to provide grants but that this had not materialised (see above).

Once operational, the Revolving Fund faced accusations of unduly charging fees. These accusations do, however, seem to be based on general misperceptions about how the credit facility is intended to work.³¹ It was agreed that the funds would be disbursed as an interest free loan to the sub-contractor, and that the revolving fund money will be returned to UNIDO at the end of lock in period. UNIDO will utilise the returned funds for technical assistance projects in the field of SME development and in the three governorates or return the funds to the MIM. The sub-contractor would in turn be allowed to charge interest rate to cover administrative and operational expenses as well as fees and commission of the financial institution.³² Following negotiations between UNIDO and the sub-contractor it was agreed to implement the Revolving Fund according to 'Haram', and thus charge 15% up front instead of charging interest. It seems that this has been misinterpreted by some as if the sub-contractor (AMALKOM) is unduly withholding funds. These misinterpretations do however seem to be limited to Baghdad. Contextual factors may have influenced the misinterpretation. In Iraq there is a history of credit for free, and government subsidies continue today. Donors are also upholding this practice (e.g. ILO, USAID, US Army, UK and NGOs/micro-credits).

The project management has tried to 'downplay' the credit facility, given that it was so delayed and given that it will in effect only offer comparatively small loans - an average of USD 15 000 will be available to a maximum of 20 entrepreneurs in each governorate. In workshops the EDUs have tried to explain that technical assistance is the focus of EDIP. Moreover, the project management has made efforts to create linkages with other financial institutions.

The three criteria for loan eligibility are: i) a trainee, ii) at least 6 business counselling sessions, and iii) a developed Business Plan. The criteria were set because it was seen as essential to link the technical assistance to the financial assistance. UNIDO/Amman will check and approve the proposed entrepreneurs to ensure that the right entrepreneurs

³⁰ The only previous experience in UNIDO of a stand-alone revolving funds which was found was from Senegal – which however in reality turned out to be a 'credit guarantee' and thus not a revolving fund.

³¹ The accusations may also have been influenced by a news article published in a local daily newspaper in Baghdad, accusing MIM of corruption. In fact this article had no substance and reported wrong information since no money is provided by the project to the MIM for disbursement. This has been clarified to Iraqi Minister of MIM through a letter from UNIDO special representative to Iraq.

³² See Steering Committee Meeting Minutes of meeting 16 April 2009.

are selected (and to avoid 'elite capture'). AMALKOM received a list of clients who had attended the training and who were eligible. From September to December 2010 AMALKOM had approved loans to a value of USD 230 000. AMALKOM experienced that many of the entrepreneurs were not interested in the loans given the comparatively small amounts available and given the comparatively short terms for repayment. AMALKOM thus entered into a discussion with UNIDO to allow the selection of clients to be made from the communities rather than from the list of trained entrepreneurs.³³

The lending thereafter picked up and as per November 2011, a total of 88 loans had been approved (of which 2 in Erbil, 42 in Baghdad and 44 in Thi Qar). In Baghdad, a little more than 50% were approved for entrepreneurs not trained within the EDIP project period, whereas in Thi Qar 70% of the loans were approved for entrepreneurs trained as part of the EDIP. The 2 loans approved in Erbil were for entrepreneurs trained as part of EDIP. Entrepreneurs not trained within the EDIP project period have instead been trained within the follow-up project to EDIP (EDICT). The majority of the loans were delivered to small size unsophisticated entrepreneurs operating at local level in the trading and service sectors. Most of approved loans were given to existing entrepreneurs (51 of 88). The loans were mainly used to cover working capital needs.³⁴

4.6.2 Revolving fund outputs, outcome and impact analysis

Outputs and activities in project document

Table 19 shows the output description and associated activities as per the project document. The evaluator's assessment of status at the time of the evaluation has been inserted. As seen from the discussion above, all activities have been implemented, although very delayed. The project output target is thus met.

Table 19: Project document output and activities for revolving fund

No	Output description	Status
3.1	Increase in the number of existing enterprises and potential entrepreneurs accessing the Revolving Fund for upgrading/rehabilitation and new enterprises creation	
	A revolving fund scheme operational in cooperation with the Arab Gulf Programme for United Nations Development Organizations (AGFUND)	Achieved, but severely delayed. Revolving Fund operational from September 2010.
No.	Activity description	Status
	Enterprise creation	
	Revolving Fund	
3.1.1	Identification of a suitable financial intermediary in consultation with the stakeholders	Implemented
3.1.2	Develop/strengthen the capacity of the financial intermediary to administer and manage the fund, ensuring its revolving nature	Implemented
3.1.3	Develop mechanisms to ensure transparency and accountability for the Fund	Implemented

³³ Phone discussion, January 2011, with CHF/AMALKOM in Beirut.

³⁴ Status of Loan Facility as of November 2011.

Outcome and impact

When it comes to outcome and impact it is too early to make any reliable assessment. The loans were used mainly to cover working capital needs.

As seen above, there are good achievements also without the financial component coming on line. In addition, experiences of the sub-contracted financial institution are that they had difficulties in filling the quota for lending without broadening the basis for eligibility. In particular, in Erbil where the project beneficiaries are mainly composed of medium-size companies there was little interest in the small-size loans from the EDIP financial facility. There may thus be a case for carefully assessing to what extent the Revolving Fund component makes a real and tangible difference in various parts of Iraq. The socio-economic situation in the three project governorates differs considerably.

4.7 Counterpart staff training

4.7.1 Training of trainers, counsellors and consultants

As part of the output 4 in the project document, 'Institutional capacity enterprise development', counterpart staff was trained to form teams of trainers and counsellors to entrepreneurs within the EC component (see section 4.5), and to work as consultants to prepare diagnostic and upgrading plans within the EU component (see section 4.4).

Selection process

Table 20 shows that the total number of individual counterpart staff trained is 70 with several of the counterpart staff participating in more than one training course (the total number of training seats amounted to 103).³⁵

The teams of trainers and counsellors for the enterprise creation component as well as consultants for the upgrading component were all counterpart staff. The counterparts nominated candidates. Once nominated, UNIDO ascertained that the nominated candidates were qualified. As UNIDO used pre-set criteria for assessing the qualifications of nominated candidates, this part of the selection process was transparent, but unfortunately the nomination process was not transparent.

Subjects for training and staff status after training

Table 20 shows number of counterpart staff participating in the training of various subjects, as shown in a consolidated data base for trained government staff (which was provided by the PMU in Amman). Overall, more counterpart staff has been trained in Baghdad than in Thi Qar and Erbil.

Subject-wise, most staff has been trained in enterprise upgrading in all three governorates. In Baghdad, the IPPA training attracted more staff than the training to become trainers (ToT), whereas in Thi Qar and Erbil the ToT was the second largest subject.

³⁵ Information in data base provided by the PMU in Amman.

Some 50% of the trained counterpart staff members worked as trainers and/or counsellors at the time for the evaluation. In addition, 7% had previously worked as trainers and/or counsellors. In particular, more than 90% of counterpart staff participating in ToT also continued to work as trainers throughout the project duration. In Baghdad, particularly few of the participants in the IPPA training (3 of 10) worked as trainer and/or counsellor for the project.

In addition to working as trainers and/or counsellors, some of the trained staff also worked as national consultants for the EU component. The consolidated data did, however, not include an indication of the status for staff who had worked as consultants in the EU component. A comparison of names of national consultants to the names in the consolidated data base revealed that, in addition to staff members working as trainers and/or counsellors, another 3 in Baghdad, 5 in Thi Qar and 4 in Erbil out of those trained in enterprise upgrading had worked as national consultants for the EU component (in Table 21 included in: 'Not specified' under 'Of which working as'). Adding these national consultants, trained staff who had done work for the project increases to a share of 74% (as compared to 57%).

Table 20: Number of counterpart staff trained

	Baghdad	Thi Qar	Erbil	Total
Total number of individuals trained	26	24	20	70
<i>Of which trained in:</i>				
ToT	7	9	7	23
ToC	5	4	4	13
IPPA	10	6	5	21
COMFAR	3	2	3	8
Financial Counseling	3	2	3	8
Enterprise Upgrading	10	11	9	30
<i>Of which working as:</i>				
Trainer	5	6	5	16
Counsellor	3	3	3	9
Trainer/Counsellor	5	2	3	10
Ex-Trainer/Counsellor	-	2	3	5
Not specified	13	11	6	30
<i>Total working / worked for project</i>	<i>13</i>	<i>13</i>	<i>14</i>	<i>40</i>
<i>Individuals working / worked related to participation in which training topic</i>				
ToT	7	7	7	21
ToC	4	3	2	9
IPPA	3	5	4	12
COMFAR	2	2	3	7
Financial Counseling	3	2	3	8
Enterprise Upgrading	5	1	3	9

4.7.2 Evaluation survey findings

The survey findings provide the basis for the qualitative discussion on counterpart staff training.

As shown in Table 21 below, 12 of the trained institutional staff were selected for participation in the evaluation survey (thus representing only 16% of trained staff). MIM staff is overrepresented in the survey (as compared to list of institutional participants received from the PMU), thus confirming biased selection of institutional participants in survey (see discussion above, section 1.2).

Institutional staff profiles

Table 21: Institutional staff's characteristics
(Number of persons)

Governorate				
Characteristics of institutional staff in survey	Baghdad	Thi Qar	Erbil	Total
Institutional staff				
- trained	26	25	22	73
- in survey	3	5	4	12
Gender				
- women	2	1	1	4
- men	1	4	3	8
Age				
20-30 years	..	1	..	1
31-40 years	2	1	2	5
41-50 years	..	2	1	3
51-60 years	1	1	1	3
Professional education				
- Business/Adm	2	2		4
- Engineering		3	1	4
- Chemistry	1			1
- Agriculture			1	1
- Not specified			2	2
Institution/Employer				
MIM	3	1	2	6
University or Technical Institute		2		2
Chamber of Commerce		1		1
Governorate Council		1		1
Investment Board			2	2
Years with institution				
1-5 years	--	1	1	2
6-10 years	1	1	..	2
11-20 years	1	1	2	4
21- 30 years	1	2	1	4

Key characteristics of the counterpart staff in the survey are summarised in Table 21. One third of the surveyed staff are women, but it is unfortunately not possible to verify if this is representative as the EDIP data-base does not include gender (gender equity

should be part of all aspects of monitoring considering that gender equity and promotion of women economic empowerment are referred to as priority issues for UNIDO).

Age-wise the staff are in their early to late middle-age. Professional education is dominated by business/administration and engineering. The majority of the counterpart staff has been with their respective institution for long (ranging from 1.5 to 28 years).

The survey findings do not serve well for drawing wide-ranging conclusions (given the biased selection and narrow coverage of survey of institutional participants). However, it deserves to be looked further into how the process of nomination may have influenced the age and competence structure of the participating counterpart staff. It would have been preferred to have had an application process, with a transparent assessment of applicants against the initially identified criteria.

Adequacy of training

All trained staff in the survey found the training useful for their own subsequent training of beneficiaries (10 found it very useful and 2 found it a little useful), but two trainers (in Erbil) considered it not to be sufficient.

Trained staff makes frequent use of the training material (9 very often and 3 not so often). One expressed the view that the training material was too general and would need to be adapted to suit the communities (trained early in the project, 2008).

Status after training

All interviewed staff work as trainers and/or counsellors. In Erbil and Baghdad all perceived that they could easily free themselves to undertake the training and/or counselling, whereas in Thi Qar two of found felt it difficult to free themselves. The majority felt they received support also after the training.

Trainability of entrepreneurs

All trainers/counsellors in Baghdad found the trainability of the entrepreneurs to be good, whereas in Erbil 2 of the trainers found the trainability to be good and 2 found it to be acceptable. In Thi Qar a majority (3) found the trainability to be acceptable, and 2 found it to be good (see Table 22).

Table 22: Perception of trainability of entrepreneurs and own performance
(Number of persons)

Governorate	Baghdad	Thi Qar	Erbil	Total
Trainability of entrepreneurs				
good	3.	2	2	7
acceptable	..	3	2	5
not good
Quality of provided training/ counselling				
good	2	3	4	9
acceptable	1	1	..	2
not good	..	1	..	1

Perception of own performance in training/counselling

Table 22 also shows the perception of the trainers/counsellors of their own performance. As seen, most trainers/counsellors perceive they are capable of performing well. Only one trainer in Thi Qar feels that the quality of his/her work is not good.

4.7.3 Staff training output, outcome and impact analysis

Outputs and activities in project document

Table 23 shows the output description and associated activities as per the project document. The evaluator's assessment of status at time for evaluation has been inserted.

All activities have been implemented as planned. The quality of training is overall assessed as good and the intended number of counterpart staff to be trained was exceeded. A high share of trained counterpart staff participated in training and counselling of entrepreneurs.

Table 23: Project document output and activities for strengthening institutional capabilities

No	Output description	Status
4.1	Functional institutional capabilities to support the promotion of domestic investments	
	Enterprise Development Unit (EDU) functional in each governorate	3 EDUs functional (whereas only two were envisioned in the Project Document)
No.	Activity description	Status
	Institutional capacity enterprise development	
4.1.1	Identification of institutions capable of hosting the enterprise development unit in each governorate	Implemented
4.1.2	Selection of the institution to host the EDU as well as counterpart staff (15 per governorate) to be trained as trainers	Implemented
4.1.3	Establishment of EDUs including office facilities	Implemented
4.1.4	Organization of training of trainers programme in enterprise upgrading for 5 EDU staff per governorate	Implemented
4.1.5	Organization of training of trainers programme on Enterprise Development (unit staff and staff of supporting institutions)	Implemented
4.1.6	Organization of training of trainers programme in enterprise upgrading for 5 EDU staff per governorate	(Same as 4.1.4 above)
4.1.7	Organization of training in business/financial counselling for 5 EDU staff per governorate	Implemented
4.1.8	Strengthening the capabilities of EDU staff in enterprise upgrading and project appraisal techniques and software (COMFAR, PHAROS-PLUS, etc)	Implemented

The three EDUs are functional and embedded in national institutional structures. The EDU in Baghdad seems to be the strongest in this respect, inside MIM and with MIM staff actively managing it. The EDU in Erbil is to be moved from the Chamber of Commerce

into MIM as the next phase of EDIP starts. The EDU in Thi Qar has formulated a Thi Qar sustainability plan, thus strongly indicating its intentions to continue functioning.³⁶ Moreover, other governorates have shown interest, such as the Basra Chamber of Commerce which has expressed its willingness to pay for EDIP trainers to come there.

Outcome and impact

The training of the counterpart staff to become trainers, counsellors and consultants is in itself a means to achieve the end goal – to train entrepreneurs or to support enterprises to develop their enterprises. To this extent, an immediate outcome may be said to be that entrepreneurs have been trained as planned (see above).

The output to have the EDU functional has been achieved and even over-achieved as three rather than the planned two EDUs are functional. Outcomes in terms of functional institutional capabilities to support the promotion of domestic investments cannot yet be assessed, but would require longer time. It would also require indicators to monitor progress in institutional capabilities and performance as well a baseline against which to measure progress – neither of which is included in the current project.

³⁶ Thijeel Kareem Obaid, Chamber of Commerce, Thiqr Head of EDU and Abdul Hadi Rashaq Marah, Thiqr EDU Locla Coordinator: *Thi Qar Sustainability Plan Proposal*.

5

Assessment

5.1 Relevance

Overall, the objectives of the project – as expressed in the Project Document - are consistent with country needs, global priorities and partners' and donors' policies. The project objectives are in particular consistent with Iraq's *National Development Strategy (NDS) 2005-2007* as well as with the *NDS 2007-2010*, which call for empowering and revitalising the private sector as well as strengthening institutions of governance.

The EC component is the 'backbone' of EDIP with local project structures set up around the EC component. The basic philosophy of the EC component is to capacitate entrepreneurs through providing technical assistance and facilitating access to information and networks, but without providing free access to any tangible benefits. This approach is highly relevant in the current Iraqi context. Iraq has moved away from being in an immediate post-conflict recovery phase and has moved into a phase where sustainable development is at the core. It is in such a context of utmost importance to avoid potential distortions in private sector support.

The EU component had to stop at the diagnostic phase, a fact which was known from the outset. The participating enterprises were then 'transferred' to the EC component and offered counselling support. The EU component was further not given the opportunity to select and train national consultants from the private sector. Instead it was referred to training counterpart staff to become national consultants in the same way as the EC component selected trainers and counsellors from among counterpart staff. Moreover, the EU component was dependent on the local project structures under the EC component to fulfil its tasks in the field. In summary, it is therefore difficult to acknowledge the added value, and thus the relevance, from setting aside a small fraction of the project budget to the EU methodology, which was never intended to be fully applied.

The Revolving Fund was embedded in the EDIP to provide financial assistance to the entrepreneurs who had been trained and counselled through the project. Access to funds is constantly raised as a constraint in discussions. However, once finally operational, the size of loans was too small to meet the needs of many of the trained and counselled entrepreneurs. The eligibility criteria were therefore changed and the lending picked up. Given the financial sector context in Iraq, the inclusion of the fund has raised expectations among participating entrepreneurs. In Iraq, loans have historically been subsidised in different ways, and this practice continues to be upheld today by many actors (including

donors). It has consequently proven complicated for the project management and staff to get the message through that focus is on enabling entrepreneurs to take own measures to create, improve, or expand their business through their own appropriate actions. A market-based financial tool is however highly relevant.

The project set up functional institutional capability within the counterpart structures (EDUs). Part of the EDU structure was to have teams of trainers and counsellors. The selection of trainers and counsellors, as well as of national consultants for the EU component, could have been more transparent and competitive. In particular, opening for recruitment also from the private sector would have enhanced the relevance of training trainers and counsellors. It would need to be carefully reassessed what is the appropriate role of MIM in private sector development and in particular as regards individual private business entrepreneurs, and how relevant it is for government staff to counsel private entrepreneurs. In this respect the project seems to have favoured what may be perceived by the project as enhanced ownership and enhanced prospects for sustainability of EDUs, over what is most relevant within a market-based approach. It is also possible that efficiency has been decreased as a consequence. Such 'trade-offs' are inevitable at any given point in time, but 'pros' and 'cons' and dynamics (not only in the short-term but also in the medium- to longer-term) need to be more clearly acknowledged and assessed in the design of projects aiming at private sector development within an inherited state-owned approach to industrialisation.

The summary assessment is that the EDIP is relevant within the current Iraqi context, although there are elements which in retrospect could have been excluded and/or revised to further enhance the project's relevance. On the other hand, the project's efforts to strictly promote market-based approaches in dealing with entrepreneurs/private sector, and the project's efforts to break beneficiaries' dependence on receiving grants (in kind or cash) from UNIDO-backed projects have been of particular relevance as an important contribution to a 'mental shift' in the private sector.

5.2 Ownership

The project has involved counterpart stakeholders at various levels of the project structure and it seems reasonable to expect that the sense of ownership for the project is comparatively strong among all directly involved.

Governorate representatives are involved as Focal Points and the PSC includes several representatives from counterparts.

The EDUs are the crucial in the implementation. The Head of each EDU is a regular staff member of the hosting institution. Teams of trained counterpart staff work with the EDUs in providing the training and counselling services. The team of trainers and counsellors represent several institutions, implying that the project is at least partly embedded in more than one institution. Yet, the full-time staff (the LPC and the EDU administrator) is externally recruited and employed by UNIDO, which may work against a longer-term sense of ownership.

5.3 Effectiveness and impact

The outputs in terms of business support services (training, counseling and upgrading plans) have been produced as planned with some minor discrepancies occurred due to limited funding, in particular for the EU component. Although the Revolving Fund was severely delayed it also achieved its output targets eventually.

With regard to outcomes, the evaluation survey indicates that 50% of the participating enterprises under the EU component might have expanded, diversified, or upgraded their technology. However, the degree of these improvements remains unclear and it seems that only a few new employment opportunities were generated.

Assessing the outcome achievement of the EC component has been complicated by the confusion of outputs and outcomes in the project document. Moreover, the figures produced by the project monitoring and by the evaluation survey differ significantly. An extrapolation of the survey findings would mean that 10, 18, and 13 new enterprises were established in Baghdad, Thi Qar and Erbil respectively. These figures would considerably exceed the achievements cited in the self-evaluation report.

Similar differences are found for expanded/diversified enterprises. According to the self-evaluation no enterprise expanded or diversified in Baghdad, three in Thi Qar and 46 in Erbil. The extrapolated survey findings on the other hand would imply 23 expanded/diversified enterprises in Baghdad, 45 in Thi Qar and 21 in Erbil. This would mean that the achievements in Erbil are below the self-evaluation report, whereas the achievements in Baghdad and Thi Qar are more positive.

With regard to job creation, the project recorded the expectation of the participating entrepreneurs that 370 jobs could be created but did not monitor the actual achievement of these expectations. The evaluation survey indicates that the number of employments created might be above 500. Although the robustness of these observations is limited, there is at least some evidence that, on average, the expected target of 200 jobs created per governorate could have been partly achieved.

There has been a debate between the project management and the ITPO Bahrain, whether a greater involvement of the latter (similar to the EDIP projects in Lebanon, Sudan and Sierra Leone) could have led to better effectiveness. The ITPO claims that, in addition to the two capacity building programs, a minimum 6 to 9 months of rigorous follow-up and involvement of the ITPO in daily operations would have been required to ensure smooth implementation and transfer of know-how, including their participation in the development of the national strategy, training tools, promotional material, establishment of the selection committee, on the job training, counselling entrepreneurs and linking them with support structures at the different stages of their business development.

The evaluators are not in a position to verify these claims of the ITPO Bahrain because this would require a systematic comparison between the EDIP projects that are implemented directly by the ITPO Bahrain and those such as Iraq that are implemented by UNIDO HQ.

5.4 Efficiency

As all for all other UNIDO projects in Iraq, the efficiency of EDIP has been affected by security issues. In the case of EDIP these negative external influences differed between the three governorates but were present in all three.

It seems that the decision to involve two UNIDO branches in implementation led to fragmentation and increased overhead costs within UNIDO HQ, but without visible synergies. The management has, however, made strong efforts to adapt inputs to minimise the negative consequences in the field. Moreover, the project management has, as implementation progressed, adapted inputs to the differing contexts in the three participating governorates. This has helped off-set the limited contextual analysis in the project preparation phase, during which the general model and the material applied was not adapted to the Iraqi context. The bureaucratic and cumbersome processes in Iraq and the weak linkages to financial schemes were not sufficiently considered as risks in project planning. In particular, the unresolved issues around the financing facility, which remained when the project was approved, have negatively influenced efficiency throughout the project lifetime. Efficiency would also most likely have been increased if individuals with direct private sector experience had been allowed to be trained as trainers and counsellor.

The management has been strong in quantitative results-orientation, while the qualitative performance monitoring and follow up could be strengthened.

5.5 Sustainability

The project has focussed on capacity building which is a long-term endeavour. The foundation for sustainability has been laid in the three EDUs, who are all embedded and fully functional. A sustainability plan for the EDUs is part of the agreed follow up project EDICT, which has developed a set of indicators to monitor performance, and thus prospects for sustainability, of the EDUs.

Financial sustainability of the EDUs is also aimed at. Within the EDICT (the follow-up project to EDIP) the intentions are to start requiring entrepreneurs to pay small fees for the services provided which would contribute to covering the fees of the trainers as well as constitute a sign of commitment, and constitute an acknowledgement of the appreciation of the quality of services provided.

The project pays salary/fees to counterpart staff working with project activities. This may work against sustainability unless the intended scheme to charge entrepreneurs for services work out.

As for sustainable results in terms of employment generation and entrepreneurship, these will also depend on GoI measures to strengthen the private business climate. Measures are required in terms of streamlining the multitude of cumbersome and not transparent administrative and legal routines as well as in terms of strengthening the provision of infrastructure services. Improved access to market-based finance also for less sophisticated entrepreneurs is another important prerequisite for sustainable and dynamic private sector entrepreneurship.

6

Recommendations

The recommendations are based on the evidence collected and analysis made under this evaluation. Issues and circumstances in Iraq for which this evaluation did not produce evidence are not considered in the below recommendations.

Recommendations to UNIDO:

- UNIDO project design and management need to be strengthened with regard to the quality of the logframe, possible inception phases, risk management, and monitoring. The following improvements should be systematically implemented during the design and implementation of future UNIDO projects:
 - Ensure the quality of the intervention logic and the logframe in project planning. A clear intervention logic with an explicit causal chain and measureable results at output and outcome levels, is the first and foremost prerequisite for quality implementation.
 - Plan for an inception phase in case important information is lacking at project start or important parts of the project are not yet clearly designed. Make sure, the findings of the inception phase are properly included in the project plan.
 - Strengthen risk analysis and include risk management strategies. During project planning, key assumptions must be identified, their potential consequences assessed and a risk remediation strategy developed. During implementation the assumptions must be monitored and action taken, if necessary.
 - Indicate clearly in data bases whether information represents *a priori* expectations or observed results.
 - Complement quantitative with qualitative monitoring, if appropriate. A project focusing on capacity building of institutions and their individual staff members should include qualitative outcome performance indicators and ensure that these indicators are monitored.
- If two or more UNIDO branches are involved in a project, the project should not be split into “independent” components but the entire project should be jointly planned and implemented under the clear leadership of one of the branches.
- UNIDO should adopt a more systematic approach to gender equity and envisage assigning a gender focal point for project design. Possible asymmetric gender structures should be systematically identified and properly analyzed in the project document and activities how to address these asymmetries should be included in the project strategy.

- For its project portfolio in Iraq, UNIDO should put an independent monitoring mechanism and, as appropriate, other 'checks-and-balances' in place to compensate for the implementation risks originating from remote project implementation with no visits of UNIDO international staff on the ground.
- Access to finance is a critical success factor of entrepreneurship projects. While other UNIDO projects facilitate linkages to credit schemes of other donors or agencies, EDIP tackled this issue by a guarantee fund although this is not UNIDO core business. Future evaluations should look systematically into UNIDO's different approaches to entrepreneurship development and access to finance.

Recommendations to UNIDO and to the Government:

- In projects aiming to reach private entrepreneurs it is recommended to accept a strong private sector involvement in all stages. It is needed to reassess the appropriate role to be played by the public sector and governance structures in relation to sustainable private sector development. The private sector should be represented in the Steering Committees of such projects.
- When selecting the staff, trainers and consultants of a project Gol should accept equal treatment of candidates from the private and public sector. Any selection or recruitment should be based on transparent criteria and competitive processes. The safeguards in this recommendation are necessary to avoid possible distortions that are unfavourable for the private sector.
- UNIDO should not apply "blue print" approaches for its projects that neglect geographical or sectoral differences. The Gol should acknowledge contextual differences across governorates in project design and accept that these may lead to differences in activities and budgets, depending on the needs and context of each participating governorate.
- For projects aiming at institutional capacity building UNIDO should include a comprehensive change management strategy in the project document that goes beyond individual training. Gol should not only accept that institutional capacity building requires reorganization and organizational change but should also actively promote such change.

Recommendations to the Donor

- The donor should insist on greater adherence to RBM principles. Better intervention logics and an enhanced use of log frame would improve the degree of results achievement, guide project management to keep on track as implementation progresses and help withstand requests for undue changes.
- For capacity building projects, even for those that are implemented in a post-conflict environment, donors should accept an appropriate time frame. For projects in the areas of human capacity building, market access and facility rehabilitation a duration of less than three years is likely to be insufficient or even counterproductive.
- For joint projects involving two or more UN Agencies, the donor should insist on appropriate coordination mechanisms. Projects as the one under evaluation that are

planned as joint projects but implemented in isolation bear the risk to become inefficient, ineffective or even irrelevant

Appendix 1

TERMS OF REFERENCE: INDEPENDENT EVALUATION

**Project:
“Enterprise Development and Investment Promotion (EDIP) -
Iraq”**

FB/IRQ/07/004

1. BACKGROUND

The development goal of the project is “to promote domestic and foreign investments in the SME sector in order to create employment opportunities, generate income and alleviate poverty and contribute to accelerated economic development of Iraq.”

The project document mentions five “immediate objectives” (outcomes):

1. To facilitate the creation of new enterprises (in the designated Governorates) in order to provide employment and income generating opportunities for the people and to reduce poverty.
2. Develop a Revolving Fund scheme to be administered by local and/or international financial intermediary and strengthen its capabilities for efficient and transparent administration of the fund
3. To provide immediate technical support to ailing enterprises (in the designated Governorates) in order to restore their operations and to upgrade their competitiveness by promoting international partnerships in terms of technology, market access, finance, etc)
4. To develop/strengthen institutional capabilities in the areas of Enterprise Development (in the designated Governorates) to promote domestic investments.
5. To develop institutional capabilities FDI promotion in order to ensure sustained economic growth and global integration.

There are five main project components that are implemented in three different regions of Iraq Kurdistan region; Thi Qar and Baghdad):

1. Institutional capacity building
2. Company creation and counselling
3. Company upgrading
4. Revolving fund
5. Investment promotion

Initially, the project was conceived for a duration of 18 months (June 2007 to December 2008). Due to implementation delays it has been extended twice until August 2009. An additional extension to December 2009 is envisaged.

In UNIDO, the project is implemented by the “Industrial Promotion and Technology Branch”, where a Project Manager has been assigned to coordinate the overall planning and implementation of the project. Component 3 of the project



on “company upgrading” has been outsourced to the UNIDO “Trade Capacity Building Branch”.

On the ground, the project is being implemented through a Project Management Unit (PMU) in Amman, where a Project Coordinator is placed, through National Project Coordinators (NPC) in Erbil and Thi Qar, and administrative support staff. The Project Coordinator is supported by the Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT) at the UNIDO Investment and Technology Promotion Office in Bahrain.

Component 1 - capacity building:

Kurdistan Region:

- *KRG Government* is the focal point for the project in the region and is providing Governmental support in facilitating the project implementation
- *KRG Board of Investment* is the technical reference point for the operational activities of the project and has nominated some of their personnel for the capacity building exercises including the Training of Trainers and Training of Counsellors.
- *Erbil Chamber of Commerce and Industry* is hosting the EDU in Erbil and has also nominated their personnel for the capacity building exercises including the Training of Trainers and Training of Counsellors. In order to institutionalize the program in the Governorates, the Chamber of Commerce and Industry has nominated the Head of the EDU from their organization.

Thi Qar Region:

- *Thi Qar Provincial Council* is the focal point for the project in the region and is providing local institutional support in facilitating the project implementation.
- *Thi Qar Chamber of Commerce* is hosting the EDU in Nassirya and has also nominated some of their personnel for the capacity building exercises including Training of Trainers and Training of Counsellors. In order to institutionalise the program in the Governorate, the Chamber of Commerce and Industry is nominating the Head of the EDU from their organisation.
- *Thi Qar Engineering Union* has nominated staff who have been trained through the Training of trainers and are part of the team of trainers to conduct the training for entrepreneurs.
- *Thi Qar University* has nominated staff who have been trained through the training of trainers and are part of the team of trainers to conduct the training for entrepreneurs

Baghdad:

- *Ministry of Industry and Minerals* is involved in Investment Promotion, in addition to Enterprise Development component. Some Ministry's personnel have been trained through the training of trainers and are responsible to conduct subsequent training of entrepreneurs. The Ministry also hosts the EDU as well as the Investment promotion Unit (IPU). The staff of the newly established IPU will be trained in Investment Promotion concepts.
- *Ministry of Planning and Development Cooperation* has nominated staff who have been trained through the Training of Trainers and are part of the team of trainers to conduct the Training for Entrepreneurs.
- *Federation of Iraqi Industries* has nominated staff who have been trained through the Training of Trainers and are part of the team of trainers to conduct the Training for Entrepreneurs.
- *Industrial Bank* has nominated staff who have been trained through the Training of Trainers and are part of the team of trainers to conduct the Training for Entrepreneurs.

Component 2 -Company creation and counselling:

Under this component, the project has provided initial training to some 170 entrepreneurs/companies and counselling services to some 80 of them. The focus of this component is in the Kurdistan region and in Thi Qar; Baghdad started only late. In each region the project has established a team of 10 trainers.

Component 3 -Company upgrading:

This component started only late. The project trained a team of local consultants in the Kurdistan region and in Thi Qar who will prepare, together with international consultants, upgrading plans for at least 25 enterprises. These upgrading plans should be implemented from August 2009 onwards.

Component 4 – Revolving Fund

According to the project document a revolving fund of 1 million USD should be established, which would be particularly useful for companies involved in the upgrading component. The implementation of this component is late due to administrative constraints and unclear provisions in the project document. It is expected that the financial institution for implementing this component could be selected in July 2009.

Component 5 – Investment promotion

This component is on hold as per decision of the Project Steering Committee.

II. PROJECT BUDGET

Planned budget: **USD 3,057, 537 including support cost.**

This budget includes the creation of a revolving fund of about 1 million USD to be used mainly by the SME upgrading component.

III. EVALUATION PURPOSE

The purpose of the evaluation is to assess the:

1. Project relevance with regard to the priorities and policies of the Government of Iraq, the authorities of the three regions involved and UNIDO;
2. Project effectiveness in terms of the outputs produced and outcomes achieved as compared to those planned;
3. Efficiency of implementation: quantity, quality, cost and timeliness of UNIDO and counterpart inputs and activities;
4. Prospects for development impact;
5. Long-term sustainability of the results and benefits;

The evaluation should provide the necessary analytical basis and make recommendations to the Government, the donor, and UNIDO for ensuring the sustainability of the project's impact. The evaluation should also draw lessons of wider applicability and feed into a thematic evaluation of UNIDO "Human Security" projects.

IV. METHODOLOGY AND SCOPE OF THE EVALUATION

The evaluation will be carried out in keeping with agreed evaluation standards and requirements. More specifically it will fully respect the principles laid down in the "UN Norms and Standards for Evaluation" and the Evaluation Policy of UNIDO.³⁷ The evaluation shall 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 a review 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.

³⁷ All documents available from the website of the UN Evaluation Group: <http://www.uneval.org/> and of UNIDO

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 extent to which counterparts have been appropriately involved and have been participating in the identification of their critical problem areas, in the development of technical cooperation strategies and in the implementation of the project approach
- The extent to which counterpart contributions and other inputs have been received from the Government (including Governorates) as compared to the project document work plan, and the extent to which the project's follow-up is integrated into Government budgets and workplans.

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 extent to which the management, coordination, quality control and input delivery mechanisms have been efficient and effective;
- The extent to which monitoring and self-evaluation have been carried out effectively, based on indicators for outputs, outcomes and objectives and using that information for project steering and adaptive management;
- The extent to which changes in planning documents during implementation have been approved and documented;

- The extent to which coordination envisaged with any other development co-operation programmes in the country has been realized and benefits achieved.
- The extent to which synergy benefits can be found in relation to other UNIDO and UN activities in the country.

Efficiency of Implementation:

Efficiency and adequacy of project implementation including: availability of funds as compared with the provisional budget (donor and national contribution); the quality and timeliness of inputs delivered by UNIDO (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.

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 quality of the outputs produced and how the target beneficiaries use these outputs, with particular attention to gender aspects; the outcomes, which have occurred or which are likely to happen through utilization of outputs. In particular, this includes an analysis of the likely effects of micro-enterprise industry activities as a means of creating employment and raising household incomes.

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 a possible next project phase, or replication elsewhere

Based on the above analysis the evaluators will draw specific conclusions and make proposals for any necessary further action by Government, UNIDO 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 mis-

sion 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.

V. EVALUATION TIMING AND MAIN TASKS

The evaluation is scheduled to take place between September 2009 and March 2010.

The evaluation will be carried out through analyses of various sources of information, including desk analysis, field visits, 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, particular attention will be given to the elaboration of a strategy for field surveys, the elaboration and test of questionnaires and the implementation of the surveys in line with agreed professional and impartiality standards.

The evaluation will encompass the following main tasks:

1. Desk study of available documents and definition of the evaluation methodology with a catalogue of project specific evaluation questions, to which the evaluation should provide answers; this methodology will be submitted to the evaluation group of UNIDO for discussion and agreement;
2. Briefing and interviews with UNIDO staff at UNIDO HQ in Vienna and in Amman;
3. Organization of a two-day kick-off meeting in Amman or in Iraq, as appropriate, involving national and international project staff, counterpart representatives and the entire evaluation team;
4. Analytical review of the economic, political and security conditions in the region of intervention (drawing on information received from policy makers, and also other UN Organizations and providers of technical assistance in Iraq and in the region) and investigation into the relevance, needs orientation and realism of the project design and implementation (gathering information above all from project stakeholders and private sector players in the region);
5. In-depth interviews using structured questionnaires will be conducted with the main project stakeholders and in particular with the following agencies:
 - Enterprise Development Units (EDU) in the three Governorates;
 - Investment Promotion Unit in Central Ministry of Industry;

– Investment Promotion Agency in Baghdad;

For the stakeholders their involvement in the project and ownership will be assessed. For the units their organisational capacities and capabilities, their activities during project implementation and the results obtained will be assessed.

6. A survey among supported enterprises will be conducted. It is estimated that about 200 potential entrepreneurs have been trained in enterprise creation by the time of evaluation. The questionnaire survey should cover a sample of at least 50 of which at least 15 should be visited.
7. A survey among trainers and counsellors will be conducted. It is estimated that about 100 persons have been trained as trainers and/or counsellors by the time of evaluation. The questionnaire survey should cover a sample of at least 30 of which at least 15 should be interviewed face-to-face.
8. An specific and in-depth assessment will be conducted of the arrangements and realizations of the revolving fund.
9. Organization of a meeting in Amman or Iraq, as appropriate, where the evaluation team will present its preliminary results to project staff and counterparts and collect their feed-back;
10. Production of a first draft evaluation report and presentation of this report to the UNIDO evaluation group and UNIDO staff for feed-back;
11. Incorporation of comments into a second draft and submission of this draft to the government, project participants and stakeholders for comments;
12. Incorporation of comments into final draft.

VI. SERVICES REQUIRED

The evaluation will require the following functions, competencies and skills:

1. Evaluation team leader with documented experience in:
 - a. Designing and managing complex evaluations;
 - b. Leading multi-disciplinary and multi-cultural teams of evaluators;
 - c. Development projects in Arab speaking countries;
 - d. Development projects related to entrepreneurship and company upgrading;
 - e. Designing and supervising qualitative and quantitative field surveys;

- f. Drafting evaluation reports in line with agreed UN and DAC standards;
- g. Excellent command of English (excellent drafting skills to be demonstrated).

2. Three national evaluators with documented experience in evaluations

The evaluation team must have the necessary technical competence and experience to assess the quality of the technical assistance provided under this project in the area of entrepreneurship development, company upgrading and revolving funds.

The execution of the evaluation will require full command and control of the specific situation in Iraq and full respect of the UN security rules for Iraq. The ability to carry out field operations in Iraq is a key requirement and must be demonstrated.

The evaluation team leader 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 complementary 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 evaluator(s) will be responsible for carrying out the field surveys (under the guidance of the team leader). The field surveys will provide the foundation for the evaluation and must therefore be executed in line with the highest standards of professionalism and impartiality.

The UNIDO Evaluation Group will be 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 in compliance with established evaluation norms and standards and useful for organizational learning of all parties.

The project office in Amman will logistically and administratively support the evaluation team to the extent possible. However, it should be understood that the evaluation team is responsible for its own arrangements for transport, lodging, security etc.

VII. CONSULTATIONS AND LIAISON

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

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

VIII. 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 presentations to be prepared for debriefing sessions in Amman, Rome and/or Vienna.

Draft reports submitted to the UNIDO Evaluation Group 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 that will apply evaluation quality assessment criteria and provide 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.

TEMPLATE OF IN-DEPTH EVALUATION REPORTS

I.*Executive summary*

- Must be self-explanatory
- Not more than five pages focusing on the most important findings and recommendations
- Overview showing strengths and weaknesses of the project

II.*Introduction*

- Information on the evaluation: why, when, by whom, etc.
- Information sources and availability of information
- Methodological remarks and validity of the findings
- Project summary (“fact sheet”, including project structure, objectives, donors, counterparts, timing, cost, etc)

III.*Country and project context*

This chapter provides evidence for the assessment under chapter VI (in particular relevance and sustainability)

- Brief description including history and previous cooperation
- Project specific framework conditions; situation of the country; major changes over project duration
- Positioning of the project (other initiatives of government, other donors, private sector, etc.)
- Counterpart organisation(s); (changes in the) situation of the

IV.*Project Planning*

This chapter describes the planning process as far as relevant for the assessment under chapter VI

- Project identification (stakeholder involvement, needs of target groups analysed, depth of analysis, etc.)
- Project formulation (stakeholder involvement, quality of project document, coherence of intervention logic, etc.)
- Description of the underlying intervention theory (causal chain: inputs-activities-outputs-outcomes)
- Funds mobilization

V.*Project Implementation*

This chapter describes what has been done and provides evidence for the assessment under chapter VI

- Financial implementation (overview of expenditures, changes in approach reflected by budget revisions, etc.)
- Management (in particular monitoring, self assessment, adaptation to changed circumstances, etc.)
- Outputs (inputs used and activities carried out to produce project outputs)
- Outcome, impact (what changes at the level of target groups could be observed, refer to outcome indicators in prodoc if any)

VI. Assessment

The assessment is based on the analysis carried out in chapter III, IV and V. It assesses the underlying intervention theory (causal chain: inputs-activities-outputs-outcomes). Did it prove to be plausible and realistic? Has it changed during implementation? This chapter includes the following aspects:

- Relevance (evolution of relevance over time: relevance to UNIDO, Government, counterparts, target groups)
- Ownership
- Efficiency (quality of management, quality of inputs, were outputs produced as planned?, were synergies with other initiatives sufficiently exploited? Did UNIDO draw on relevant in-house and external expertise? Was management results oriented?)
- Effectiveness and impact (assessment of outcomes and impact, reaching target groups)
- Sustainability
- If applicable: overview table showing performance by outcomes/outputs

VII. *Issues with regard to a possible next phase*

- Assessment, in the light of the evaluation, of proposals put forward for a possible next phase
- Recommendations on how to proceed under a possible next phase, overall focus, outputs, activities, budgets, etc.

VIII. *Recommendations*

- Recommendations must be based on evaluation findings
- The implementation of the recommendations must be verifiable (indicate means of verification)
- Recommendations must be actionable; addressed to a specific officer, group or entity who can act on it; have a proposed timeline for implementation
- Recommendations should be structured by addressees:
 - UNIDO
 - Government and/or Counterpart Organisations
 - Donor

IX. *Lessons learned*

- Lessons learned must be of wider applicability beyond the evaluated project but must be based on findings and conclusions of the evaluation

Report quality criteria	UNIDO Evaluation Group Assessment notes	Rating
A. Did the report present an assessment of relevant outcomes and achievement of project objectives?		
B. Were the report consistent and the evidence complete and convincing?		
C. Did the report present a sound assessment of sustainability of outcomes or did it explain why this is not (yet) possible?		
D. Did the evidence presented support the lessons and recommendations?		
E. Did the report include the actual project costs (total and per activity)?		
F. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
G. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented?		
H. Was the report well written? (Clear language and correct grammar)		
I. Were all evaluation aspects specified in the TOR adequately addressed?		
J. Was the report delivered in a timely manner?		

Checklist on evaluation report quality

Rating system for quality of evaluation reports

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1, and unable to assess = 0.

Assessment criteria

Tenders will be assessed on the basis of the following criteria:

Evidence that the proposed evaluation team leader has:	Number and significance of experience as documented in the tender documents
1. Managed complex evaluations involving multi-disciplinary and multi-cultural teams of evaluators	
2. Been involved in development projects in Arab speaking countries	
3. Been involved in development projects related to entrepreneurship and company upgrading	
4. Prepared evaluation reports in line with agreed UN and DAC standards and in good linguistic and editorial quality	
Evidence that the proposed evaluation team members have:	
1. Proficient knowledge of Arabic	
2. Participated in project/program evaluations	



**UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
ORGANISATION DES NATIONS UNIES POUR LE DEVELOPPEMENT
INDUSTRIEL**

TERMS OF REFERENCE

**Data collection for the
Independent Evaluation
of the Project**

Enterprise Development and Investment Promotion (EDIP)

1. BACKGROUND ON THE PROJECT UNDER EVALUATION

This call for tenders concerns the collection of evaluation data through on-site visits telephone interviews and face-to-face interviews with selected stakeholders of the project:

“Enterprise Development and Investment Promotion (EDIP) - Iraq”

The development goal of this project is *“to promote domestic and foreign investments in the SME sector in order to create employment opportunities, generate income and alleviate poverty and contribute to accelerated economic development of Iraq.”* The project document mentions five “immediate objectives” (outcomes):

The project is implemented in the three Governorates of Erbil; Thi Qar and Baghdad and includes four main project components:

4. Institutional capacity building of three regional “Enterprise Development Units” (one in each of the three governorates);
5. Company creation and counselling (324 entrepreneurs trained; 200 of them being counselled by the project: 85 in Erbil, 77 in Thi-Qar and 38 in Baghdad; 102 of them already developed business plans);
6. Company upgrading (36 company diagnosis conducted and upgrading plans developed);
7. Revolving Fund (fund of 1 million USD administered by a local financial intermediary).

2. OBJECTIVE OF THE CONTRACT

The objective of the contract is the collection and compilation of evaluation data for the independent evaluation of the EDIP project through on-site visits and face-to-face interviews in the project area.

3. SCOPE OF SERVICES TO BE PROVIDED

The services to be provided by the contractor concern the collection and compilation of evaluation data through telephone and face-to-face interviews with stakeholders as well as site visits in the project area. The interviews and site visits will be performed by staff members of the contractor.

The independent evaluation as a whole will be supervised and managed by an international evaluation expert contracted by UNIDO or FAO who will be based outside Iraq and conduct part of his work from Amman. ***(N.B. The services to be provided under this call for tenders do NOT include the services of the evaluation expert but only the collection of data in the project area!)***

The staff members of the contractor will use questionnaires and guidelines prepared by the international evaluation expert for their collection of evaluation data. *(N.B. Interviews will be relatively short; approximately 20 set questions and 5 free text questions per interview)*

The following services are to be provided by the contractor:

- Translation of the questionnaires prepared by the international evaluation expert from English into Arabic;
- Organizing and conducting 60 telephone interviews with beneficiary companies (list of contacts will be provided by the international evaluation manager);
- 45 meetings and site visits with stakeholders in the three target areas (trainers/counsellors; beneficiaries; members of administration; others - list of contacts will be provided by the international evaluation manager);
- Preparation of interview/site visit reports in English (one for each interview/site visit supported by photographs, if applicable);
- Quality assurance of the interview reports;
- Delivery of the interview reports to the international evaluation expert;
- Quality improvements of the interview reports upon request of the international evaluation expert (if necessary).

4. TIME SCHEDULE OF THE CONTRACT

The services under this contract are to be provided between September and November 2010.

5. PERSONNEL REQUIRED

The following personnel will be required under this contract:

- Interviewers (at least three or more) with a good understanding of the technical subjects at stake (see above), fluent Arabic and a proven track record in conducting interviews;
- Data collection manager with a proven track record in managing data collection exercises and in writing and editing reports in English language.

6. LANGUAGE REQUIREMENTS

The interviews will be conducted in Arabic. Translation of the questionnaires from English into Arabic by the contractor is part of the scope of the contract.

The interview reports will be in English. Performing a linguistic quality control of all interview reports is part of the scope of the contract. Interview reports in poor English will not be accepted.

7. DELIVERABLES AND PRICING

The deliverables under this contract will be

- 60 (sixty) telephone interview reports of three pages each (up to 20 set questions and 5 free text questions per report)
- 45 (forty five) face-to-face interview reports of three pages each (up to 20 set questions and 5 free text questions per report)

Services will be paid upon delivery and acceptance of the interview reports. Payments will be based on a lump sum per interview report.

The expected price per telephone interview report is between 50 and 80 USD. The expected price per face-to-face interview / site visit report is between 80 and 110 USD. The expected overall amount of the offers is therefore between 6,600 USD and 9,750 USD.

8. TECHNICAL EVALUATION CRITERIA

Tenders will be evaluated on the basis of the following technical criteria:

	Number and significance of experience as documented in the tender documents
Evidence that the tendering company:	
1. Is based in Amman	
2. Has staff in Iraq	
3. Has been involved in development projects in Iraq	
4. Has been involved in evaluations	
Evidence that the proposed interviewers have:	
5. Knowledge of Arabic/Kurdish (speaking and writing)	
6. Track record in conducting interviews	
7. Knowledge in the relevant subject areas project of the project under evaluation (see paragraph 1 of these TORs)	
Evidence that the proposed data collection manager has:	
8. Proficient knowledge of Arabic and English	
9. Participated in project/program evaluations	

Please note that all 9 technical criteria are mandatory and should be substantiated by appropriate documentation in the tender documents. Offers not corresponding to the mandatory criteria will not be eligible. The economically most advantageous offer among the eligible offers will be selected. Please note that this call does not imply any obligation on the side of UNIDO to conclude a contract.

Appendix 2

Key documents consulted

Project document and related documents:

UNDG ITF (June 2007): Project Document Cover Sheet: *Enterprise Development and Investment promotion in the SME sector in Iraq*, Project Number C10-07, Amman.

UNDG ITF (June 2009): *Approval of Project Extension B* (till 31 December 2009).

UNDG ITF (September 2008): *Approval of Project Extension* (till 31 August 2009).

UNIDO (August 2009): *Request for Proposal (RFP) Nol 16001935/NM. Project No. FB/IRQ/07/004 – ‘Enterprise Development and Investment Promotion (EDIP) Iraq’ – INDEPENDENT EVALUATION.*

UNIDO (December 2008): *Final Technical Report*, ‘Enterprise Development and Investment Promotion in the SME Sector in Iraq’, Project No. FBIRQ07A04.

UNIDO (September 2008): *Interoffice Memorandum. Project/Budget Revision Request*, Enterprise Development and Investment Promotion in the SME sector in Iraq (Project Number FB/IRQ/07/004/F).

Background and contextual documents:

Kulur, M (17 Oct. 2009): *FB/IRQ/07/004 – Enterprise Development and Investment Promotion for the SME Sector in Iraq: Subcontract EDIP Credit Facility*

(October 2010): *Enterprise Development Unit (EDU) Operational Handbook*, Draft.

UNIDO (July 2009): *EDIP: Enterprise Development and Investment Promotion. The road to employment, income, and prosperity*, Vienna.

August, Chris and Abu-Arja, Majdi (March 2008): *Preliminary SME Revolving Fund Strategy Paper*, Banking Solutions International and Business Development Center, Amman.

(June 2008): *Agri-Business in Erbil and Thi Qar*, Sector Briefs prepared for UNIDO’s Enterprise Development Programme.

(Undated): *Governorate Profiles*

Thijeeel Kareem Obaid, Chamber of Commerce, Thiqr Head of EDU and Abdul Hadi Rashaq Marah, Thiqr EDU Local Coordinator: *Thi Qar Sustainability Plan Proposal*.

Progress and achievement reporting:

UNIDO/PMU (November 2011): Status of Loan Facility as of November 2011.

UNIDO (September 2010): *Self-Evaluation Progress Report. Enterprise Development and Investment Promotion Project*, Iraq Programme, Amman.

(August 2010): Erbil Local Steering Committee Meeting, Progress Report, Period of reporting: December 2009 – 2010

(April 2009): *Progress Report. Enterprise Promotion and Development (EDIP)*
UNIDO (March 2009): *Progress Report*, 'Enterprise Development & Investment Promotion (EDIP) – Iraq.

UNIDO (March 2009): *EDIP Achievement Status*.

UNIDO (March 2009): *EDIP – Major Activities Undertaken*.

UNIDO (March 2009): *EDIP Counseling Activity Iraq*.

UNIDO (23 February, 2009): *Discussing the work plan of the upgrading component for EDIP project*, Minutes of Meeting:.

UNIDO and UNDG: *Six-month Progress Report for Project 'Enterprise Development and Investment Promotion in the SME sector in Iraq*, (Report Number: 3, 1 July-31 December 2008).

UNIDO and UNDG: *Six-month Progress Report for Project 'Enterprise Development and Investment Promotion in the SME sector in Iraq*, (Report Number: 2, 1 January-30 June 2008).

UNIDO and UNDG: *Six-month Progress Report for Project (September 2007-March 2008): Enterprise Development and Investment Promotion in the SME sector in Iraq*, (Report Number: 1).

UNIDO, Trade Capacity Building Branch (March 2010): *Final Report*. Based on the work of Mr hesham Sobh, International Expert in Enterprise Upgrading.

(December 2008): Final Technical Report (Upgrading component). Based on the work of the team of trainers: Mr. Said Y DWIKAT (FBIRQ07A04-1151-2008), Mr. Sabeeh Hasan QARBIN (FBIRQ07A04-1152-2008), Mr. Saro Hrant NAKASHIAN (FBIRQ07A04-1153-2008), Mr. Raed Waleed RAJAB (FBIRQ07A04-1154-2008), Mr. Jehad Abdallah ATEYANI (FBIRQ07A04-1155-2008).

Steering Committee minutes:

(August 4, 2010): Erbil Local Steering Committee Meeting

(August 5, 2010): Thi qar Local Steering Committee Meeting

(October 27-28, 2009): Baghdad Local Steering Committee and EDICT preparatory Meeting

(27-28 October 2009): *Baghdad EDIP Local Project Steering Committee and EDICT Preparatory Meeting*, UNIDO's Iraq's Office in Amman, Jordan.

(16th April 2009): *Steering Committee meeting project 'Enterprise Development and Investment Promotion for the SME sector in Iraq' – FB/IRQ/07/004.*

(6-7th February 2008): *Kick-off meeting project 'Enterprise Development and Investment Promotion for the SME sector in Iraq' – FB/IRQ/07/004*

Workshop and seminar reports:

(18th August 2010): *EDIP-Erbil Financial Awareness Workshop Report.*

(12-13 December 2009): *Two day workshop on Financial Counseling, Amman.*

(14th October 2009): *Seminar on Financial Linkage with Development Fund, EDU Thi Qar.*

(19th December 2008): *Discussion for EDIP counselling, Amman.*

Back- to-Office Mission Reports:

Moongananiyil, Joseph (March 2008): Bahrain 1-7 February 2008: To organize the Kick-off meeting of project "Enterprise Development and Investment Promotion for the SME Sector in Iraq" and monitor the implementation of the Training of Trainers Programme on Enterprise Creation at the Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT). 2. Sierra Leone. To organize and participate in the launch of the Training of Trainers Programme on Enterprise Creation and finalize institutional arrangements for the EDIPU establishment.

Moongananiyil, Joseph (November 2007): Rome 30/9-1/101. Meeting with Italian Ministry of Foreign Affairs regarding the organization of the kick off meeting for EDP Iraq Project. 2. Meeting with UNINETTUNO, UNIDO/ITPO and the Cooperation Department Representative of the Italian Ministry of Foreign Affairs to discuss the possibility of developing a project "Long Distance Enterprise Development and Investment Promotion Programme'.

Moongananiyil, Joseph (December 2007): Bari (Italy) 27-31/10 2007: To organize and participate in the Preparatory meeting for project FB/IRQ/07/004 "Enterprise Development and Investment Promotion for the SME Sector in Iraq", 29-30 October 2007.

Pasini, Cristiano and Eskiokak, Ozlem (Februari 2010): Erbil: 21-26 February 2010: a. Enterprise Development and Investment Promotion Project (EDIP): Reviewing the status and methodology of the EDIP project; identifying challenges; and working with partners to come up with solutions. b. Enterprise Development

through Information and Communications Technology (EDICT): Launching the institutional setup of the new project, EDICT, and developing a clear understanding of roles and responsibilities; discussing and improving the implementation modalities with all counterparts.

Other documents:

Ministry of Planning and Development Cooperation (2008): *National Report on the Status of Human Development* (NRSHD), Baghdad.

Norad, Norwegian Ministry of Foreign Affairs (December 2008): *Results Management in Norwegian Development cooperation. A practical guide*, Oslo.

UNIDO (United Nations Industrial Development Organization): Iraq Programme, 2010 September Update, Amman.

Financial documentation:

Budget Revisions A-H History Report, Project No: FBIRQ07004 and FBIRQ07A04.

Snapshot Project Detail Report as of Period 201012, Project FBIRQ07004 and FBIRQ07A04.

Data Bases:

EDIP/EDU (July 2010): *Counselling Status Report – Baghdad, Thi Qar and Erbil*.

EDIP/EDU (Undated): List of Institutional Participants

EDIP/EDU (Undated): List of Trained Entrepreneurs

EU Component (Undated): List of Enterprises in Upgrading Component

Appendix 3

People met

Vienna:

Mr Mithat Kulur, Project Manager
Mr Ali Badarneh, Project Manager EU Component
Mr Peter Loewe, Senior Evaluation Officer, UNIDO Evaluation Group
Ms Brigitte Roecklinger, Finance

Amman:

Mr Renato Fornocaldo, UNIDO Special Representative to Iraq
Mr Cristiano Pasini, International Project Coordinator
Mr Arup Rai Baruah, EDIP Senior Specialist
Mr Qasem Masarwah, Sustainable Research and Development Centre (SRD)
Ms Huda Taha Esmail Al-Grabi, MIM Official overseeing project activities in Baghdad

Erbil:

Mr Hoger Shalli, Advisor to the Prime Minister, KRG Strategic Focal Point
Mr Rafid Ahmed Abdul Kareem, Head of Enterprise Development Unit
Mr Saman Khalid Dizaye, Local Coordinator
Ms Shelan Khorshid Ibrahim, Administrative Secretary

Entrepreneurs:

- Focus group discussion with 4 entrepreneurs
- Site visits to 5 entrepreneurs

Trainers and Counsellors:

- Focus group discussion with 4 trainers and counsellors

Appendix 4

Entrepreneur Form #:



United Nations Industrial Development Organization
منظمة الأمم المتحدة للتنمية الصناعية

تقييم برنامج تطوير المشاريع وتشجيع الاستثمار في العراق

Data collection for the Independent Evaluation of the Project Enterprise Development and Investment Promotion (EDIP)

استمارة جمع المعلومات QUESTIONNAIRE FOR EVALUATION SURVEYS

1 اسم الباحث Surveyor Name	2 تاريخ المقابلة Date of Interview	3 وقت المقابلة Time of Interview
----------------------------	------------------------------------	----------------------------------

أولاً: معلومات أساسية Basic Respondent Information

4 نوع المستجيب Classification of Respondent	5 اسم المستجيب Name of Respondent
6 عنوان المستجيب Governorate	7 معلومات الاتصال Contact details
8 العمر (بالسنوات) Age (Years)	9 جنس المستفيد Gender
10 المحافظة Governorate	11 المدينة/القرية City/Village
12 القضاء District	13 الشارع Street
14 المدرب Trainer	15 مستشار Counselor
16 موظف Upgrading Staff	17 صاحب مشروع Entrepreneur

ثانياً: معلومات عامة Profile

1 التعليم المدرسي - عدد السنوات School education - number of years
2 أي تعليم آخر (أو تدريب) حصل عليه قبل المشروع - نوع التعليم/التدريب وعدد السنوات Other education(s)/skills
3 طبيعة العمل قبل الالتحاق بالتدريب : Occupation before attending training

موطن	Employed	عمل خاص	Self-employed	صاحب مشروع	Own enterprise	عاطل عن العمل	Unemployed
4	إذا لم تكن موظفاً، كم شهر بقيت من غير عمل	؟If unemployed - how many months without job				
5	طبيعة العمل الحالي (بعد الحصول على التدريب)	Occupation now (after training)					
موطن	Employed	عمل خاص	Self-employed	صاحب مشروع	Own enterprise	عاطل عن العمل	Unemployed

ثالثاً: معلومات التدريب Training

:Details

رابعاً: عملية الاختيار Selection

:Process

6 متى وكم عدد أيام التدريب التي التحقت بها :When and how many days did you attend the training

7 اسم المدرب :Name of trainer

8 عدد المتدربين (المشاركين) :Number of course participants

9 كيف عرفت عن إمكانية مشاركتك في التدريب ؟training

10 ما الذي طلب منك عمله كي يتم اختيارك للمشاركة في التدريب ؟training

خامساً: كفاية التدريب Adequacy Of Received Training

11 هل كان التدريب مفيداً لك في عملك ؟Was the training useful in your work

Very useful مفيد جداً مفيد نوعاً ما A little useful غير مفيد Not useful

12 ما أهم شيء تعلمته من البرنامج التدريبي ؟training course

13 كيف تستخدم المواد التدريبية اليوم؟ How do you use the training materials today?

very often أحياناً Not so often لا أستخدمها Never

14 ما هو الموضوع الذي كان أقل فائدة لك في عملك؟ Which was the least useful subject for your work?

15 ما نوع الشهادة التي حصلت عليها بعد التدريب؟ What acknowledgement did you receive of your training?

Diploma شهادة مشاركة Certificate غير ذلك Other لم أحصل على أي شهادة None

سادسا: ما بعد التدريب Post - Training

<p>إذا كانت الإجابة نعم: كيف ومتى؟ If yes – how and when? إذا كانت الإجابة لا، يرجى بيان السبب If no – why not</p>	<p>لا No</p>	<p>نعم Yes</p>	<p>صاحب مشروع: 16 هل بعد التدريب، هل After the training, have you</p>
<p>.....</p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p>- هل أسست مشروعا جديدا ؟Established a new enterprise</p>
<p>.....</p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p>- هل وسعت مشروع قائم Expanded your existing enterprise ؟enterprise</p>
<p>.....</p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p>- هل نوّعت الأعمال في مشروعك القائم Diversified your existing enterprise ؟existing enterprise</p>
<p>.....</p>	<p><input type="checkbox"/></p>	<p><input type="checkbox"/></p>	<p>- هل طورت التكنولوجيا المستخدمة في المشروع Upgraded your technology ؟your technology</p>
<p>17 هل زدك التدريب بكافة المعلومات التي تحتاجها لتأسيس مشروعك أو توسيعه/أو تطويره Did your training provide you all the information you need to establish an enterprise / upgrade or diversify your enterprise? نعم Yes، ما هي المعلومات أو المهارات التي مكنتك من ذلك What has the training / information empowered or supported you with Knowledge / skills / other ؟ supported you with Knowledge / skills / other لا No، ما الشيء الذي لم تحصل عليه ؟what is missing ؟what is missing</p>			
<p>18 هل تلقيت أي دعم أو مساعدة بعد انتهاء التدريب الأولي Have you received further support after finalizing the first training نعم Yes، ما نوع الدعم/المساعدة التي حصلت عليها what kind of support عليها حصلت التي حصلت عليها؟How do you perceive the quality of support? لا No، ما نوع الدعم/المساعدة التي احتجتها ؟ what kind of support would you need</p>			
<p>19 من الشخص الذي كنت تتصل به إذا احتجت المزيد من المعلومات؟Who can you contact if you need further advice? هل كان الاتصال بهذا الشخص: سهل Easy? <input type="checkbox"/> صعبا Problematic? <input type="checkbox"/></p>			
<p>20 هل تم تمكين المشاركين من التواصل فيما بينهم Has any network been established amongst the training participant ؟participant</p>			

<input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا
<p>21 ضع إشارة X في المربع الذي يقع أمام أنسب الخيارات الأربعة الآتية <i>Choose the relevant of the following four choices</i></p> <p>إذا قمت بتأسيس أو التخطيط لتأسيس مشروع جديد Has a business plan been formulated? If yes, explain main contents <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم إعداد خطة عمل؟ إذا كانت الإجابة نعم، حدد أهم محتوياتها Has a business accounting and costing system been established? <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم إعداد نظام للمحاسبة والتكاليف Has a marketing network been established? <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم تأسيس شبكة للتسويق Has a bank account been opened? <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم فتح حساب مصرفي Has a bank loan been obtained? <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم الحصول على قرض مصرفي : If you have expanded your existing enterprise Has an expansion plan diagnostic plan been formulated? If yes, explain the main contents <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم إعداد خطة توسيع/خطة تحليل؟ : If you have diversified your existing enterprise Has a diversification plan been formulated? If yes, explain main contents <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم إعداد خطة لتنويع المشروع؟ : If you have upgraded your technology Has an upgrading plan / diagnostic plan been formulated? If yes, explain the main content <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p> <p>هل تم تحديث التكنولوجيا المستخدمة في المشروع : If you have not established a new enterprise What is the reason? <input type="checkbox"/> Do you plan to establish a new enterprise in the future <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p>
<p>22 ضع إشارة X في المربع الذي يقع أمام أنسب الخيارات الأربعة الآتية <i>Choose the relevant of the following four choices</i></p> <p>إذا لم تقم بعد بتأسيس مشروع جديد ما هو السبب؟ <input type="checkbox"/> Do you plan to establish a new enterprise in the future <input type="checkbox"/> Yes نعم <input type="checkbox"/> No لا</p>

○ ما الذي تحتاجه لتأسيس مشروع جديد؟ What is needed for you to be able to establish an enterprise?

إذا قمت بتأسيس مشروع جديد If you have established a new enterprise

- كم موظف لديك؟ How many employees do you have؟ كم شخص من أسرتك /من غير أفراد أسرتك Household members / others ؟ كم عدد الرجال؟ كم عدد النساء؟ Men / Women

إذا قمت بتوسيع أو تنويع مشروع قائم: If you have expanded or diversified your enterprise

- كم موظف لديك؟ How many employees do you have؟ كم شخص من أسرتك /من غير أفراد أسرتك Household members / others ؟ كم عدد الرجال؟ كم عدد النساء؟ Men / Women

- كم كان عدد الموظفين قبل تنويع المشروع أو توسيعه؟ How many employees did you have before the expansion or diversification of your enterprises؟ كم شخص من أسرتك /من غير أفراد أسرتك Household members / others ؟ كم عدد الرجال؟ كم عدد النساء؟ Men / Women

إذا قمت بتحديث تكنولوجيا المشروع If you have upgraded your technology

- كم موظف لديك؟ How many employees do you have؟ كم شخص من أسرتك /من غير أفراد أسرتك Household members / others ؟ كم عدد الرجال؟ كم عدد النساء؟ Men / Women

- كم كان عدد الموظفين قبل تحديث تكنولوجيا المشروع؟ How many employees did you have before the upgrading of your technology؟ كم شخص من أفراد أسرتك Household members / others ؟ كم عدد الرجال؟ كم عدد النساء؟ Men / Women

23 إذا قمت بتوظيف أشخاص جدد، كيف تم توظيفهم؟ If you recruited new employees: how did you recruit them؟

يرجى الحصول على صور للموقع الذي تتم زيارته، إن أمكن Please ask for permission to take some photos



United Nations Industrial Development Organization
منظمة الأمم المتحدة للتنمية الصناعية

Trainers/Counselors/Staff
Form #:

تقييم برنامج تطوير المشاريع وتشجيع الاستثمار في العراق

Data collection for the Independent Evaluation of the Project Enterprise Development and Investment Promotion (EDIP)

استمارة جمع المعلومات QUESTIONNAIRE FOR EVALUATION SURVEYS

10 اسم الباحث Surveyor Name:	11 تاريخ المقابلة Date of Interview:	12 وقت المقابلة Time of Interview:
---------------------------------------	---	---

أولاً: معلومات أساسية Basic Respondent Information

13 نوع المستجيب Classification of Respondent: <input type="checkbox"/> Trainer مدرب <input type="checkbox"/> Counselor مستشار <input type="checkbox"/> Upgrading Staff موظف <input type="checkbox"/> Entrepreneur صاحب مشروع	14 اسم المستجيب Name of Respondent:	15 عنوان المستجيب: Governorate المحافظة: القضاء District: المدينة/القرية City/Village: الشارع Street:	16 معلومات الاتصال Contact details:	17 العمر (بالسنوات) Age (Years):
18 جنس المستفيد Gender: <input type="checkbox"/> Male ذكر <input type="checkbox"/> Female أنثى				

ثانياً: معلومات عامة Profile

1 المؤهلات العلمية Professional education:	2 الخبرات المهنية Professional experience:	3 الجهة التي تعمل فيها Employer:	4 الوظيفة قبل المشاركة في التدريب Position before participating in project training:	5 عدد سنوات العمل في الوظيفة قبل المشاركة في التدريب Number of years in this position:	6 الوظيفة الحالية Present employment and position:
---	---	---	---	---	---

ثالثا: معلومات التدريب Training Details:

7	متى وكم عدد أيام التدريب التي التحقت بها	:When and how many days did you attend the training
8	اسم المدرب	:Name of trainer
9	عدد المتدربين (المشاركين)	:Number of course participants

رابعا: عملية الاختيار Selection Process:

10	كيف عرفت عن امكانية مشاركتك في التدريب	How did you learn about the opportunity to participate in the training
11	ما الذي طلب منك عمله كي يتم اختيارك للمشاركة في التدريب	What did you have to do to get selected for the training

خامسا: كفاية التدريب Adequacy Of Received Training:

12	هل كان التدريب مفيدا لك في عملك	Was the training useful in your work		
	<input type="checkbox"/> مفيد جدا Very useful	<input type="checkbox"/> مفيد نوعا ما A little useful	<input type="checkbox"/> غير مفيد Not useful	
13	ما أهم شيء تعلمته من البرنامج التدريبي	Please mention the most important things you have learnt from the training course		
14	كيف تستخدم المواد التدريبية اليوم؟	How do you use the training material today?		
	<input type="checkbox"/> Often	<input type="checkbox"/> Not so often	<input type="checkbox"/> لا أستخدمها Never	
15	ما هو الموضوع الذي كان أقل فائدة لك في عملك؟	Which was the least useful subject for your work?		
16	ما نوع الشهادة التي حصلت عليها بعد التدريب؟	What acknowledgement did you receive of your training effort?		
	<input type="checkbox"/> دبلوم Diploma	<input type="checkbox"/> شهادة مشاركة Certificate	<input type="checkbox"/> غير ذلك Other	<input type="checkbox"/> لم أحصل على أي شهادة None

سادسا: (خاص بالمدرسين (for the interview with Trainers only):

17	كم برنامج تدريبي قمت بتقديمه وكم عدد المشاركين	How many training courses have you conducted and how many persons have attended
18	هل تستطيع بسهولة أن تحصل على إجازة من واجباتك ومسؤولياتك من أجل المشاركة في التدريب	Can you freely release yourself from other duties to conduct training
	<input type="checkbox"/> Yes	<input type="checkbox"/> No

19 ما هي الموضوعات التدريبية التي قدمتها ؟
What have been the subjects of the training courses you have conducted

20 هل التدريب الذي حصلت عليه وفر لك المعلومات التي تحتاجها لتقديم تدريب لأصحاب المشاريع؟
No لا Yes نعم
Did your training to become a trainer provide you all the information you need to conduct training for entrepreneurs
إذا كانت الإجابة (لا)، ما المعلومات أو المهارات التي لا زلت بحاجة إليها ؟ If not, what is missing?

21 هل تلقيت دعماً أو تدريباً إضافياً من المشروع بعد التدريب الأساسي الذي تلقيته من أجل أن تصبح مدرباً
Have you received further training or support from the project after your training to become a trainer? What kind of training or support

No لا Yes نعم

22 هل يتصل بك المتدربون How often do your trainees contact you
أحياناً Very often معظم الأحيان Never لا يتصلون بي نهائياً Not so often

23 هل تحتاج إلى المزيد من التدريب أو الدعم؟
Yes نعم No لا إذا كانت الإجابة (نعم) في أي موضوع؟
Would you need further support or training? If yes, in which subjects?

24 كيف تقيم قدرات المتدربين في ضوء التدريب الذي حصلوا عليه (من المفترض أن يكونوا قادرين على تأسيس مشروع بعد التدريب)
How do you assess the trainability of the participants in your courses (considering that they upon the course should be able to establish enterprise)?
جيدة Good مقبولة acceptable ليست not good enough بالمستوى المطلوب

25 كيف تقيم مستوى الفائدة التي جناها أصحاب المشاريع من التدريب الذي قدمته لهم
Good جيدة مقبولة acceptable ليست بالمستوى المطلوب not good enough
the entrepreneurs of training courses

سادساً (خاص بالمستشارين only for the interview with Counselors)

17 كم جلسة استشارية قدمت للمشاريع الجديدة؟ للمشاريع القائمة؟
How many counseling sessions have you conducted?New enterprises?Existing enterprises?

18 هل تستطيع بسهولة أن تحصل على إجازة من واجباتك ومسؤولياتك من أجل تقديم الاستشارات
Can you freely release yourself from other duties to conduct counseling

19 ما هي الموضوعات الاستشارية التي قدمتها
What are the main subjects you are providing counseling on

-
- 20 هل التدريب الذي حصلت عليه ممكنك من الحصول على كافة المعلومات التي تحتاجه لتقديم الاستشارات لأصحاب المشاريع Did your training to become a counselor provide you all information you need to conduct counseling? Yes نعم No لا، إذا كانت الإجابة (لا)، ما المعلومات أو المهارات التي لا زلت بحاجة إليها؟ If not, what is missing?
- 21 هل تلقيت دعماً أو تدريباً إضافياً من المشروع بعد التدريب الأساسي الذي تلقيته من أجل أن تصبح مستشاراً Have you received further training or support from the project after your training to become counselor? Yes نعم No لا
- 22 هل يتصل بك أصحاب المشاريع How often do your entrepreneurs contact you Very often معظم الأحيان Never لا يتصلون نهائياً Not so often أحياناً
- 23 هل تحتاج إلى المزيد من التدريب أو الدعم؟ Would you need further support or training? If yes, in which subjects? Yes نعم No لا إذا كانت الإجابة (نعم) في أي موضوع؟
- 24 كيف تقيم قدرات أصحاب المشاريع في ضوء الاستشارات التي حصلوا عليها (من المفترض أن يكونوا قادرين على تأسيس مشروع بعد التدريب) How do you assess the trainability of the entrepreneurs you are counseling (considering that they upon the course should be able to establish enterprise)? Good جيدة acceptable مقبولة not good enough ليست بالمستوى المطلوب
- 25 كيف تقيم مستوى الفائدة التي جناها أصحاب المشاريع من الاستشارات التي قدمتها لهم How do you assess the usefulness of the entrepreneurs of your counseling? Good جيدة acceptable مقبولة not good enough ليست بالمستوى المطلوب

سادسا (خاص بالموظفين **Staff Preparing Upgrading Plans only** for the interview with)

- الموظفون الذين يعدون الخطط التطويرية والتشخيصية **Staff Preparing Upgrading and Diagnostic Plans**
- 17 كم عدد الخطط التطويرية التي أعدتها؟ How many upgrading plans have you prepared? وفي أي قطاعات الأعمال؟ Which sectors
- 18 ما الشيء الذي هدفت الخطة إلى تطويره؟ What do they upgrade?
- 19 كم عدد الخطط التشخيصية التي أعدتها؟ How many diagnostic plans have you prepared? وفي أي قطاعات الأعمال؟ Which sectors
- 20 كم كان عدد الموظفين قبل خطة التطوير؟ وكم العدد المتوقع بعد اكتمال تطوير الأعمال؟ Number of employees before upgrading plan and expected after upgrading is completed?

- 21 هل تستطيع بسهولة أن تحصل على إجازة من واجباتك ومسؤولياتك من أجل إعداد الخطط التطويرية والتشخيصية
Can you freely release yourself from other duties to prepare upgrading and diagnostic plans?
Yes نعم No لا
- 22 هل التدريب الذي حصلت عليه ممكن من الحصول على كافة المعلومات التي تحتاجه لإعداد الخطط؟
Did your training to prepare upgrading and diagnostic plans provide you all information you need to prepare the plans?
No لا Yes نعم إذا كانت الإجابة (لا)، ما المعلومات أو المهارات التي لا زلت بحاجة إليها
upgrading and diagnostic plans provide you all information you need to prepare the plans?
..... If not, what is missing?
- 23 هل تلقيت دعماً أو تدريباً إضافياً من المشروع بعد التدريب الأساسي الذي تلقيته من أجل أن تصبح قادراً على إعداد الخطط
Have you received further training or support from the project after your training to prepare upgrading and
diagnostic plans?
No لا Yes نعم
- 24 هل تحتاج إلى المزيد من التدريب أو الدعم؟
Would you need further support or training? If yes, in which subjects?
No لا Yes نعم إذا كانت الإجابة (نعم) في أي موضوع؟
.....
- 25 كم مرة يتصل بك أصحاب المشاريع؟
How often do your entrepreneurs contact you?
.....
- 26 كيف تقيم قدرات أصحاب المشاريع في ضوء الدعم الذي قدمته لهم
How do you assess the trainability of the entrepreneurs you are supporting
المطلوب not good enough Good عالية مقبولة acceptable ليست بالمستوى
ليس بالمستوى
- 27 كيف تقيم مدى نجاح الخطط التطويرية التي أعدتها
How do you assess the success of your upgrading plans?
المطلوب not good enough Good عالية مقبولة acceptable ليست بالمستوى

Please ask for permission to take some photos يرجى الحصول على صور للموقع الذي تتم زيارته، إن أمكن

