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USAID COMMUNITY STABILIZATION PROGRAM (CSP) COUNTERINSURGENCY (COIN): REPORT ON BUSINESS DEVELOPMENT PROJECTS IN KIRKUK

October 30, 2007

This publication was produced for review by the United States Agency for International Development. It was prepared by Harvey Herr.

USAID COMMUNITY STABILIZATION PROGRAM (CSP) COUNTERINSURGENCY (COIN): REPORT ON BUSINESS DEVELOPMENT PROJECTS IN KIRKUK



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Contracted under 267-C-00-05-00508-00

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List of Acronyms

AC	Advisory Committee
AoR	Area of Responsibility (of IPs)
BDP	Business Development Projects
BDPO	Business Development Program Office
BOQ	Bill of Quantity
CA	Cooperative Agreement
CERP	Commander's Emergency Relief Program
CHRR	Commander's Humanitarian Relief and Reconstruction Fund
CIES	Community Infrastructure and Essential Services
CMT	Community Mobilization Team (of IPs)
CSP	Community Stabilization Program
DAC	District Advisory Council
EBDP	Economic and Business Development Program (of IRD)
GAC	Grants Advisory Committee
IBTCI	International Business & Technical Consultants, Inc.
IP	Implementing Partner
IR	Intermediate Result
IRD	International Relief and Development
IRRF	Iraq Relief and Reconstruction Fund
LG	Local Government
M&E	Monitoring and Evaluation
MEPP II	Monitoring and Evaluation Performance Program, Phase II
MIS	Management Information System
MODM	Ministry of Displacement and Migration
MOLSA	Ministry of Labor and Social Affairs
MOT	Ministry of Trade
MOU	Memorandum of Understanding
MSME	Micro, Small or Medium Enterprise
NAC	Neighborhood Advisory Council
NGO	Non-Governmental Organization
PAC	Project Approval Committee
PMP	Performance Management Plan
PC	Provincial Council
PRS	Project Reporting System
PRT	Provincial Reconstruction Team
RFA	Request for Application
SME	Small or Medium Enterprise
SO	Strategic Objective
SOW	Scope of Work
TA	Technical Assistance
UN	United Nations
US	United States
USAID	United States Agency for International Development
USG	United States Government
USM	United States Military

EXECUTIVE SUMMARY

The IRD Business Development Program (BDP) component of the Community Stabilization Program (CSP) awards Micro, Small and Medium Enterprise (MSME) grants to new and existing businesses designed to increase MSME production and to generate employment. International Business & Technical Consultants, Inc. (IBTCI) implements the USAID-funded Monitoring and Evaluation Performance Program, Phase II (MEPP II), which has been tasked to monitor USAID projects. IBTCI utilizes [REDACTED] to supply full-time field monitors and regional field monitor team leaders.

Monitoring of BDP projects in Kirkuk began on 8 July. The criteria for selection were: 1) projects that had been completed; and 2) grants that were over \$1,000. Of the twenty-nine current grants, twelve met the criteria of which six were randomly selected for monitoring. The instrument used by the field monitors, initially developed by IRD for internal monitoring of BDP projects, was augmented by IBTCI to include questions related to grant impact. The monitoring instrument (Annex B) is divided into five parts: a) grant identification; b) survey response information; c) grant utilization and compliance; d) grant implementation against the Bill of Quantity (BoQ); and e) importance of grant to family income.

Key findings of the monitoring include:

- Five of the six business owners noted they are on track to meet the objectives outlined in their business plans and that the BDP grant has had a positive impact on their lives.
- These projects appear to have increased employment opportunities for twenty-seven individuals, five of whom are women.
- None of the respondents have received business skills training from the Business Development Program (BDP) and none received training elsewhere. According to the BDP Guide and Manual (Annex C), each grantee undergoes a training need assessment to identify training needs in business management skills or other technical issues, in order to elevate business awareness and enhance the business capabilities of the grantee to operate a successful business.
- Two of the six projects were rehabilitation projects providing the means for the business owners to reopen their businesses after they were destroyed; four of the six projects were new business ventures. All appear to have the ability to support the grantee's families.
- All of the businesses are employing family members.
- Business records on employees, sales/income and expenditures were not produced for the monitor's review. It would appear that these are not being kept consistently by the grantees.

The MEPP II team makes the following four recommendations for the BDP program:

1. Ensure that when the pre-grant approval site visit is made the assessment includes whether or not there is appropriate electrical, water and sanitation available to support the business and, if not, require that the issue be resolved prior to grant approval.
2. Review the BDP guidelines to determine whether or not grantees should be required to produce a PMP with indicators against which they must report. It is doubtful the grantees would be able to fully understand the concept of a PMP with indicators. Instead, BDP might consider requiring the grantee to report progress against their approved business plan. (Found in Annex C under reporting and evaluation)
3. Track business income on a quarterly basis. If income is decreasing, or not able to sustain the business, require the grantee to attend business skills training.
4. Set an income benchmark per business at which time the grantee is able to stop receiving food distributions. Use this information to report success to USAID and GOI ministries.

Monitoring Selected Business Development Project Activities from the Community Stabilization Program, Kirkuk¹

Introduction

The IRD Business Development Program (BDP) component of the Community Stabilization Program (CSP) awards Micro, Small and Medium Enterprise (MSME) grants ranging from \$500 to \$100,000 to new and existing businesses. The program helps Iraqis initiate or expand businesses by providing training and financial assistance. The grants are designed to increase MSME production and to generate employment in the process.

Grant applications are evaluated based on the potential: 1) number of jobs created; 2) income generated; 3) measurable increases in production; 4) ability of the applicant to provide a minimum of 25% in-kind contribution to the project; and 5) impact the activity will have on the community.

Background

International Business & Technical Consultants, Inc. (IBTCI) implements the USAID-funded Monitoring and Evaluation Performance Program, Phase II (MEPP II). Under MEPP II, IBTCI has been tasked to monitor USAID projects. IBTCI entered into a subcontract agreement with [REDACTED] to supply full-time field monitors and regional field monitor team leaders. This agreement was approved in March 2006.

In November 2006, the Strategic Objective (SO) 7 team requested that IBTCI begin on-going monitoring of the CSP implemented by International Relief and Development (IRD). The history of previous CSP monitoring by IBTCI as well as IRD's program may be found in Annex A. Monitoring results from the BDP in Kirkuk are the subject of this report.

For this round of monitoring the IBTCI monitors met with IRD mobilizers on 14 June in Kirkuk. The purpose of the meeting was to: confirm a specific list of projects that were to be monitored; confirm what was to be determined about the projects; and to establish the lines of communication that will allow the field monitors to safely access the projects. IBTCI and IRD agreed that the monitors would follow the same procedures used for the initial monitoring in Baghdad. This procedure established an initial IRD point of contact (POC), as well as a POC from IBTCI.

Monitoring of BDP projects in Kirkuk began on 8 July. The criteria for selection were: 1) projects that had been completed; and 2) grants that were over \$1,000. Of the twenty-nine grants currently in the system, twelve met the criteria. Six of these twelve projects were randomly selected for this monitoring. Keeping to the schedule meant that field coordination with project

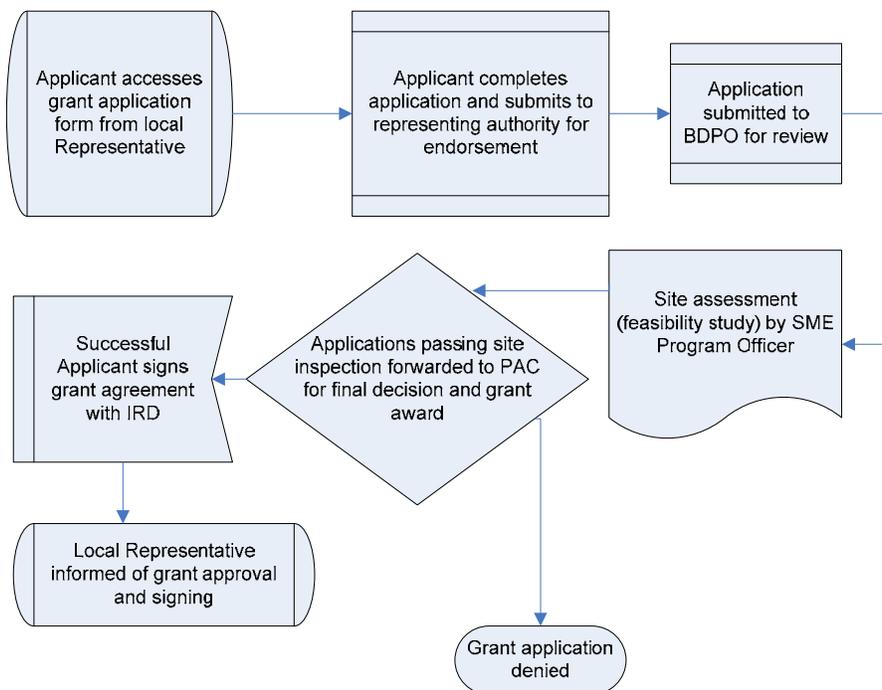
¹ Names of organizations and people have been removed for security reasons.

managers and other stakeholders in the project development process needed to be flawless and that the visit areas were permissive at the time of the proposed visits. To achieve this, the [REDACTED] field monitors remained in contact with the IRD staff as well as with IBTCI.

Methodology

The data collection instrument used by the field monitors was initially developed by IRD for their internal monitoring of BDP projects. IBTCI augmented this instrument to include questions related to grant impact. The monitoring instrument (Annex B) is divided into five parts: a) grant identification; b) survey response information; c) grant utilization and compliance; d) grant implementation; and e) importance of grant to family income. Field monitors were led to the project sites by the IRD field staff to meet with each grant manager. Field monitors attempted to obtain from the project officer the grant Bill of Quantity (BOQ) and other information that would assist in their monitoring. IRD has designed a grant development process for the CSP illustrated below in Figure 1. The process is designed to include local government in the approval process. (For example Baghdad may include: Neighborhood Advisory Councils, District Advisory Councils, Community Action Groups, Ministry of Labor and Social Affairs (MOLSA), Grants Advisory Committees, Non-Governmental Organizations (NGOs), etc.) Monitors were instructed to attempt to walk through the process for selected projects (to do so for all projects would not have been possible in the time frame).

Figure 1 - The BDP Grant Development Process



1. The applicant submits an application to representing entity for endorsement (signature).
2. The application is submitted to the Business Development Program Office (BDPO) for review.

3. Site Assessment (feasibility study) is conducted by the SME program officers.
4. Applications successfully passing site assessment are forwarded to Project Approval Committee (PAC) for final decision and award of grant.
5. The grant agreement contract is signed with IRD.
6. NAC and DAC are informed of all approved and awarded grants.

The translated individual reports from the field monitors are attached in Annex D and identified by their description as they appear in Table 1. The individual reports are summarized in the next section of this report. In our initial field monitoring of CSP, projects monitors were asked to revisit some of the sites where there was a lack of clarity in the initial reports or to seek additional information. In this round of monitoring, IBTCI made an additional monitoring visit to grant K-K-BDP-012 to determine if the issues noted in the initial visit were resolved.

Part A: Grant Identification

Table 1: Monitored Projects

Project Title ²	Project Type	Project Cost
Equipment supply to a newly established printing and distributing Laser Disks Office.	Grant	\$3,287
Equipment supply to expand a Carpentry Workshop.	Grant	\$9,200
Equipment supply to a newly established Computer Training Center.	Grant	\$5,570
Equipment supply to a Hair Salon	Grant	\$4,867
Equipment supply to a Bakery.	Grant	\$16,300
Supply of Lambs to a newly established livestock farm.	Grant	\$12,060

The six grants selected for monitoring were completed by the time the monitoring took place. All six grantees were interviewed at the site of their business.

Each grantee expressed satisfaction with how his business was progressing and anticipated that revenues will increase in the coming months. Findings from the monitor's site visits are summarized in the tables below. The tables are summaries of the questions asked in the field visit instruments shown in Annex D.

² Personal information on the grantee is available to IRD and the CTO.

Part B: Survey Response Information

Part B provides information on the date the survey took place; whether or not the monitoring was completed; the name of the BDP mobilizer, and the name of the IB TCI monitor. Should there be questions regarding the survey, this information allows IBTCI to go back to the monitoring team to request clarification. All six BDP projects selected for monitoring were located and the interviews completed.

Survey Summary

Part C: Grant Utilization and Compliance

Table 2 below summarizes grant utilization. All grants were being implemented and as intended in the grant proposal.

Table 2: Is the Project being Used as Intended?

	Q16: Is the site being used for its intended purpose?	Q 17.1 -18: IRD contributions on site according to BOQ and being used?
Yes	6	6
No	0	0
Not Stated	0	0

It is heartening to note that the equipment provided by the grant was on-site and accounted for in all six businesses.

Part D: Grant Implementation

While no pre-grant employment numbers were recorded for three of the grants, it is assumed that there were no employees prior to receipt of funding, as these were new businesses. [One grantee] responded that there were four pre-grant employees, but it should be noted that the grantee's business had been destroyed by a car bomb and therefore none of the women were employed in her salon immediately prior to receiving grant inputs. The grant not only put four women back to work, but they were able to hire an additional employee. It is remarkable that all of these grants, which were completed in June 2007, show a net increase of 27 employees. See Table 3 below for a breakdown of pre – and post – grant employment.

Table 3: Employment Generated by Grants

Grant Number	Q10 Pre-grant employment	Q19 Post-grant employment	Q19 Males/Females	Increase in Employment
1	1	3	3/0	2
2	4	9	9/0	5
3	0	4	3/1	4
4	4	5	0/5	1
5	0	10	10/0	10
6	0	5	5/0	5

Grant Number	Q10 Pre-grant employment	Q19 Post-grant employment	Q19 Males/Females	Increase in Employment
Total	9	36	30/6	27

According to grant guidelines, the following employment must be generated:

1-2	<i>engaged/employed on the particular activity applying for</i>	<i>US\$ 3,000</i>
3-4	<i>engaged/employed on the particular activity applying for</i>	<i>US\$ 10,000</i>
5-9	<i>engaged/employed on the particular activity applying for</i>	<i>US\$ 25,000</i>
10 or above	<i>engaged/employed on the particular activity applying for</i>	<i>US\$ >25,000</i>

Table 4 below illustrates the employment required, in accordance with the grant guidelines, and generated as a result of the grant assistance.

Table 4: Employment Generated Against BDP Guidelines

Project Title	Project Cost	Employment Required	Employment Generated
Printing and Distributing Laser Disks Offices, New Establishment. Supply with Equipments.	\$3,287	1-2	3
For Carpenter Workshop Expansion Supply With Equipments.	\$9,200	1-2	9
Computer Training Center New Establishment Supply with Equipments.	\$5,570	1-2	4
Hair Dressing Establishment. Supply with Equipments and Materials.	\$4,867	1-2	5
Bakery establishment. Supply with Equipments.	\$16,300	3-4	10

Project Title	Project Cost	Employment Required	Employment Generated
Livestock Farm. Supply with Lambs.	\$12,060	3-4	5

In all six cases, the grantees generated more than the required employment figures.

Record Keeping

All of the grantees noted they kept records however, none were produced for review. It is interesting that only one grantee keeps records on employees. This could be due to the number of employees (ten) for tracking purposes. The other employers might have a more informal agreement with their employees. Records on sales and income are not being kept by half of the grantees while two-thirds are keeping records of expenditures. This could be because systems have not yet been established given the short time the businesses have been operational. For example, in the first round of monitoring completed on [one particular business] on July 11, it was noted that records were not being kept however by the second round of monitoring on August 8 records were being kept in all three categories (employees, expenditures and income) although the monitor noted they were not organized. See Table 5 below for this breakdown.

Table 5: Record Keeping

IRD Grant Number	Q20: Does the grantee have records documenting:	Q20.1: Employees	20.2 Sales/Income	20.3 Expenditures
1		No	Yes	Yes
2		No	Yes	Yes
3 (initial monitoring visit)		No	No	No
3 (second monitoring visit)		No	Yes	Yes
4		No	No	No
5		Yes	Yes	Yes
6		No	No	Yes

Business Training

According to the grantees, none of them have received business training from the BDP. Grantees also indicated that they have not received any business training elsewhere (see Table 6 below). The fact that the grantees were able to meet the requirement of having a business plan and with most noting they are meeting their plan's objectives (see Table 8) would seem to suggest that they likely do not need additional business training at this stage. However, for long-term sustainability and growth of the business, BDP must require, and ensure that grantees consistently keep well-structured records and this can be achieved through training. While the

grantees indicated that they had not received specific technical training related to their business, it could be that IBTCI needs to rephrase this question to determine the degree to which grantees have received training (either on the job or formally) and/or education in their respective careers.

Table 6: Training

	Q21: Was the grantee advised to attend business training?	Q22: Did the grantee attend sponsored business training?	Q23: Did the grantee receive training for his/her work?
Yes	0	0	0
No	6	6	6

Business Abilities of Grantees

Several questions were asked to determine how comfortable the grantees are in their abilities to operate a successful business.

While all of the respondents graded themselves as average or above in their responses (Table 7), attention should be paid to the two areas where overall, they gave themselves the poorest marks: confidence in marketing their products or services and, their ability to obtain additional credit or banking services. Successful businesses must have the wherewithal to market their services and, as their business needs capital funds, the ability to arrange lending services. These six grants certainly do not show a trend across the board for all grantees. However, it might be prudent for IRD to follow up with their grantees on this aspect and facilitate their introduction to local lending institutions funded by the Economic Governance II Project (EG II).

Table 7: Grantee Confidence in Their Abilities

How confident are you in your ability to do the following (respond from 1 – 5, with 1 not at all confident and 5 complete confidence):

	Q24.1 Keep accurate accounts?	Q24.2 Market your product or services?	Q24.3 Technically produce your product or service?	Q24.4 Obtain additional credit or banking services?	Q25.5 Obtain professional/legal services your business might need?
1	4	4	5	4	4
2	5	5	5	3	4
3	4	4	4	4	4
4	4	3	4	3	3
5	5	5	5	3	4
6	4	4	4	4 (5) ³	4

Business Plan

All of the grantees met the requirement of presenting a business plan as part of the application process (see Table 8 below). Five of the six businesses are progressing as expected by their owners, even though one reported that the objectives in his business plan have not been met due to the type of business he started, sheep fattening, which requires some time. The sheep were still being fattened when the monitoring took place and therefore had not yet been sold.

³ Noted change on second interview

Originally, one grantee, a computer training center, did not respond to this question given the challenges he faced in operating his business due to an unstable electricity supply. In the second round of monitoring one month later, he noted that he is now meeting his business objectives.

Table 8: Preparation of the Business Plan

	Q25; Did the grantee prepare a business plan?	Q25.1; Has the grantee met the objectives of the plan?
Yes	6	5
No	0	1
Not stated	0	0

Obstacles

One grantee noted serious obstacles with his business; the lack of stable electricity supply (see Table 9 below), during the first monitoring visit. At the time of the first visit, his computer shop had only been operational for three days and he was actively trying to resolve the problem by purchasing a generator. As per the BDP grant manual, BDP staff follows the grantees for six months post grant disbursement. By the second monitoring visit, IRD had already followed up with the grantee and the issue had been resolved. The grantee's comments in the second monitoring visit are noted in Table 9. It might also be wise to address these types of issues in the application process to ensure that businesses requiring a constant source of power are ensured access to a generator.

Table 9: Obstacles Faced by the Grantees

Grant number	Q26: What kind of obstacles are you facing?
1	We do not have any problem now
2	Financial possibilities, in general, my work is progressing well and there is no problem.
3 July 11 visit	The frequent power outages and the generators in the area are residential not commercial and they work only from 12:00 pm and there is no electricity in the morning and currently we are trying to solve this problem as soon as possible.
3 August 8 visit	Financial capability is my main problem now, as I'm trying to develop the project through purchase internet system for the office and renting lines for customers in the area. This will accordingly lead to the increasing of my income, thus the project will develop through this income.
4	We have no problems only the security situation and explosions, knowing that this place had destroyed because of car explosion happened in front of it.
5	Lack of fuel supplies due to the delay of the governorate approval and this led to buy a fuel from the black market and bear the higher cost and low profit which affect on the functioning and development of the work.
6	We only have the problems of the death of three sheep, which we consider it normal in our work.

Part E: The Importance of the Grant to Family Income

All respondents noted that they employ family members, although it was not noted how many of the total staff are family. It was also not noted how many employees are considered full time employees.

All six respondents said they are able to support their families from the income generated by their business (see Table 10 below), however, two of the six respondents note that they are also employed elsewhere (see Table 11 below). This suggests that the business is not yet generating enough income to support itself as well as the business owner and his/her family.

Table 10: Income Generated from Grant

	Q28; Are you able to support your family from the income generated by this business (project)?	Q28.1; Are other members of your family employed by this business?
Yes	6	6
No	0	0
Not stated	0	0

Given that these businesses were less than two months old at the time of monitoring, the fact that four of the six respondents are not employed elsewhere is encouraging (see Q29, Table 11 below). Additionally, three of the respondents noted that their family members were employed in a business not related to the grant (see Q29.1, Table 11 below).

Table 11: Other Employment

	Q29: Do you have employment in an occupation not related to this business?	Q29.1: Do other members of your family have employment that is not related to this grant?
Yes	2	3
No	4	3
Not stated	0	0

According to BDP Guidelines, while it is not mandatory that prospective grantees be considered vulnerable, priority will be given to those who are and meet the other requirements. All six grantees participate in the Public Distribution System and five of them say the food distributions are critical for the well-being of their families (see Table 12 below). None receive supplemental income from the MOLSA (See Table 13 below). It would be interesting to follow the success of these businesses and to note at what point the grantees cease receiving food distributions. Tracking of this information would provide not only success stories, but a means for USAID to demonstrate to the Ministry of Trade how USAID funding is impacting the Ministry's budget by allowing beneficiaries to be removed from the rolls.

Table 12: Vulnerability of Grantees – Food Supplements

	Q30: Does your family receive food supplements from the Ministry of Trade food distribution system?	Q30.1: Are these food distributions critical for the well-being of your family?
Yes	6	5
No	0	1
Not stated	0	0

Table 13: Vulnerability of Grantees – Income Supplements

	Q31: Does your family receive income supplements from MOLSA?	Q31.1: Are these income supplements critical for the well-being of your family?
Yes	0	0
No	6	0
Not stated	0	0

It is apparent from the comments made by the grantees that these grants, while quite small, are having, and should continue to have, a positive impact on the grantees, their families and communities (see Table 14 below). It is also apparent that the grantees are serious about their businesses and have a desire to succeed.

Table 14: Comments by the Respondent on the Importance of the Grant

Grant number	Q32: Comments by the respondent on the importance of the grant.
1	<ol style="list-style-type: none"> 1. The grant returned me the work which I lost due to fire. 2. The grant provided me and my family a source of income which was lost and we have no other store. 3. Find an opportunity to develop my work and compensate the loss.
2	<ol style="list-style-type: none"> 1. I've managed to develop the work in the carpentry shop. 2. Employed the largest number of workers by expanding my work. 3. Reduction in disbursements through providing equipment for my work, while previously I had to go the labs chopping wood and this saved time and money.
3 July 11	<ol style="list-style-type: none"> 1. Now I have a work system. 2. Social change. 3. Raising family income whatsoever simple.
3 August 11	<ol style="list-style-type: none"> 1. The project became my main source of income as I use to work in another job on contract. As now the contract is over and I have only this project as the only financial source for my family. 2. The project can be developed but it takes time and efforts and I feel its development from month to another and I can say the project in the next month will be the main source of income for the family. 3. Having a reception and transmission system for paging and rent internet lines as this will develop the project and it brings good income through renting lines and I will do my best to get this as soon as possible to complete the project from all its sides. This will be the main reason for the family to raise its level condition.
4	<ol style="list-style-type: none"> 1. The grant returned me the only source of our livelihood after I lost it.

Grant number	Q32: Comments by the respondent on the importance of the grant.
5	1. It is the only source of living which I depend on. 2. My success in achieving a goal I was looking for a long time.
6	Grant important for me, because I consider this project is a source of livelihood, I have moved and left the city to live in countryside for this work which I do not have any other, the projects – changes my life full and aspire to success for improving situational living and expand my work in this project

Recommendations

The MEPP II team makes the following four recommendations for the BDP program:

1. Ensure that when the pre-grant approval site visit is made the assessment includes whether or not there is appropriate electrical, water and sanitation available to support the business and, if not, require that the issue be resolved prior to grant approval.
2. Review the BDP guidelines to determine whether or not grantees should be required to produce a PMP with indicators against which they must report. It is doubtful the grantees would be able to fully understand the concept of a PMP with indicators. Instead, BDP might consider requiring the grantee to report progress against their approved business plan.
3. Track business income on a quarterly basis. If income is decreasing, or not able to sustain the business, require the grantee to attend business skills training.
4. Set an income benchmark per business at which time the grantee is able to stop receiving food distributions. Use this information to report success to USAID and GOI ministries.

Conclusion

While this program is just starting in Kirkuk, it is clear that for these six grantees, the BDP is starting to improve their lives. The IRD team in Kirkuk should be particularly congratulated for following-up on BDP grantees and stepping in to provide problem-solving assistance to one of the grantees. This kind of attention and mentoring will ensure the success of the program's grantees over the long term.

Annex A: MEPP II Background

Background of the CSP and the MEPP II monitoring effort:

The United States is committed to the future success of Iraq. Within USAID/Iraq's Transition Strategic Plan 2006-2008, the first of four strategies delineated is "Focused Stabilization: Reduce the incentives for participation in violent conflict." This is the primary objective of the renamed Community Stabilization Program (CSP). To help plan and manage the process of assessing and reporting progress towards achieving its strategic objectives (SO), USAID/Iraq (hereinafter the "Mission") made final its Performance Management Plan (PMP) in August 2006. In the PMP document, consistent with earlier Mission objectives, the strategy to reduce the incentives for participation in violent conflict is identified as Strategic Objective 7 (SO 7).

The CSP is seen as a key element to transition Iraq to a stable, democratic and prosperous country. Towards this end, Request for Application (RFA) number 267-06-001 was issued on 2 January 2006 seeking applicants to implement the "Focused Stabilization in Strategic Cities Initiative" (FSSCI). International Relief and Development (IRD) was awarded the Cooperative Agreement (267-A-00-06-00503-00) on 29 May 2006. As defined in the Cooperative Agreement "Program Description", the purpose of FSSCI (now the CSP) is to "complement military security efforts, and civilian local government development, with economic and social stabilization efforts. The objectives of CSP are to: 1) create jobs and develop employable skills with a focus on unemployed youth; 2) revitalize community infrastructure and essential services; 3) support established businesses and develop new sustainable businesses; and 4) help mitigate conflict in selected communities." These four objectives were later modified (see Modification 03 below) to: 1) Public works programs and employment generation; 2) vocational training and apprenticeship programs; 3) Micro, Small-Medium Enterprise (MSME) Development program; and 4) Youth Programs (conflict mitigation).

By carrying out these activities the CSP implementing partner should achieve measurable progress towards the Mission's SO 7. The Mission PMP and the CSP PMP identify the measurable indicators that will evidence the achievement of the SO. The Intermediate Result (IR) in the Mission PMP is to show the "number of insurgent incidents decreased."

While the CSP program was started in Baghdad with primarily Community Infrastructure and Essential Services (CIES) projects, it has now expanded both geographically as well as sectorally to address the four key objectives stated in the Scope of Work. IRD is focusing on neighborhoods and districts in cities and peri-urban areas identified by the USG and GOI as areas with the greatest need.

On 19 November 2006, IBTCI was notified by the CTO about "ideas for field surveys." Among these ideas was the use of IBTCI monitors to confirm and validate projects that had been initiated through IRD by the CSP program. That initial monitoring proved successful, and has led to this follow-on effort that continues to monitor the rapidly expanding number of CSP projects. The specific assignment was to use the field monitors to examine CIES projects to:

- a) Confirm location and status of on-going projects and activities, and provide the required evidence of their existence;
- b) Assess that progress is in fact being accomplished in a satisfactory manner in terms of the implementation of projects and/or activities;

- c) Identify any problems or obstacles encountered during implementation, and provide recommendations for improvement;
- d) Assess the quality of projects, activities or services to be provided in relation to required specifications and standards;
- e) Assess community participation and/or level of customer satisfaction of projects and activities, as well as services provided (i.e. training);
- f) Assess if projects are being used for their intended purpose when completed, and of their continuation after the conclusion of program support; and
- g) Assess participation and coordination of CSP with local governments, communities, and with other U.S. government agencies.

The first report submitted by IBTCI in December 2006 covered only the CIES projects being implemented in Baghdad. Since that time, other sectors as well as geographical locations have been added and as a result, IBTCI has undertaken to enlarge the scope of the monitoring to include Business Development and Economic Growth for Youth Projects. Monitoring is ongoing in Baghdad, Kirkuk, Mosul and is set to begin in Anbar.

Annex B: BDP Instruction Guide and Manual



BDP - PROCESS INSTRUCTION GUIDE & MANUAL

A guide to good practice

IRAQ- 2007

Acronyms

Abbreviation	Description
BDP	Business Development Program
BDPO	Business Development Program Officer
SBDP	Senior Business Development Program
BOQ	Bills of Quantity
CIES	Community Infrastructure and Essential Services
COC	Conditions of Contract
COP	Chief of Party
CSP	Community Stabilization Program
DAC	District Advisory Council
DCOP	Deputy Chief of Part
DG	Director General
EGY	Employment Generation And Youth
Gol	Government of Iraq
LA	Local Authority
NAC	Neighborhood Advisory Council
OC	Organization Chart
PAC	Project Approval Committee
PC	Provincial Council
PCN	
POD	Program Operation Director
POO	Program Operation Officer
PRT	Provincial Re-construction Team
SOW	Scope of Work
TL	Team Leader
TRG	Tender Review Group

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A- INTRODUCTION:

It was felt that with development that occurred over the period since the original IRD – CSP program in IRAQ was introduced a Quality Assurance and Quality Control (QAQC) procedural steps, instruction guide and manual was necessary.

Much of the CSP program valuable works belong the Community Infrastructure & Essential Services (CIES) Sub-program that warranted this crucial requirement of establishing this instruction guidance and manual.....

A careful thought out and prepared processing instruction guide, flow chart and manual is essential to every infrastructure project encompassing both pre and post construction activity phases.

This document sets out initially the need, the scope and use of processing instruction guide, flow chart and manual to stress how important it is that each proposal / project team member understands their role, the roles of the other contributors, and the co-operation necessary to compile an attainable and meaningful program.

The sections and sub-sections describe herein below the necessary steps and techniques that are employed in the preparation, administration and closing-out a proposal / project.

Finally, the impact of this CIES processing flow chart and manual on the style of the program is outlined.

B- ORGANISATION CHARTS (OC):

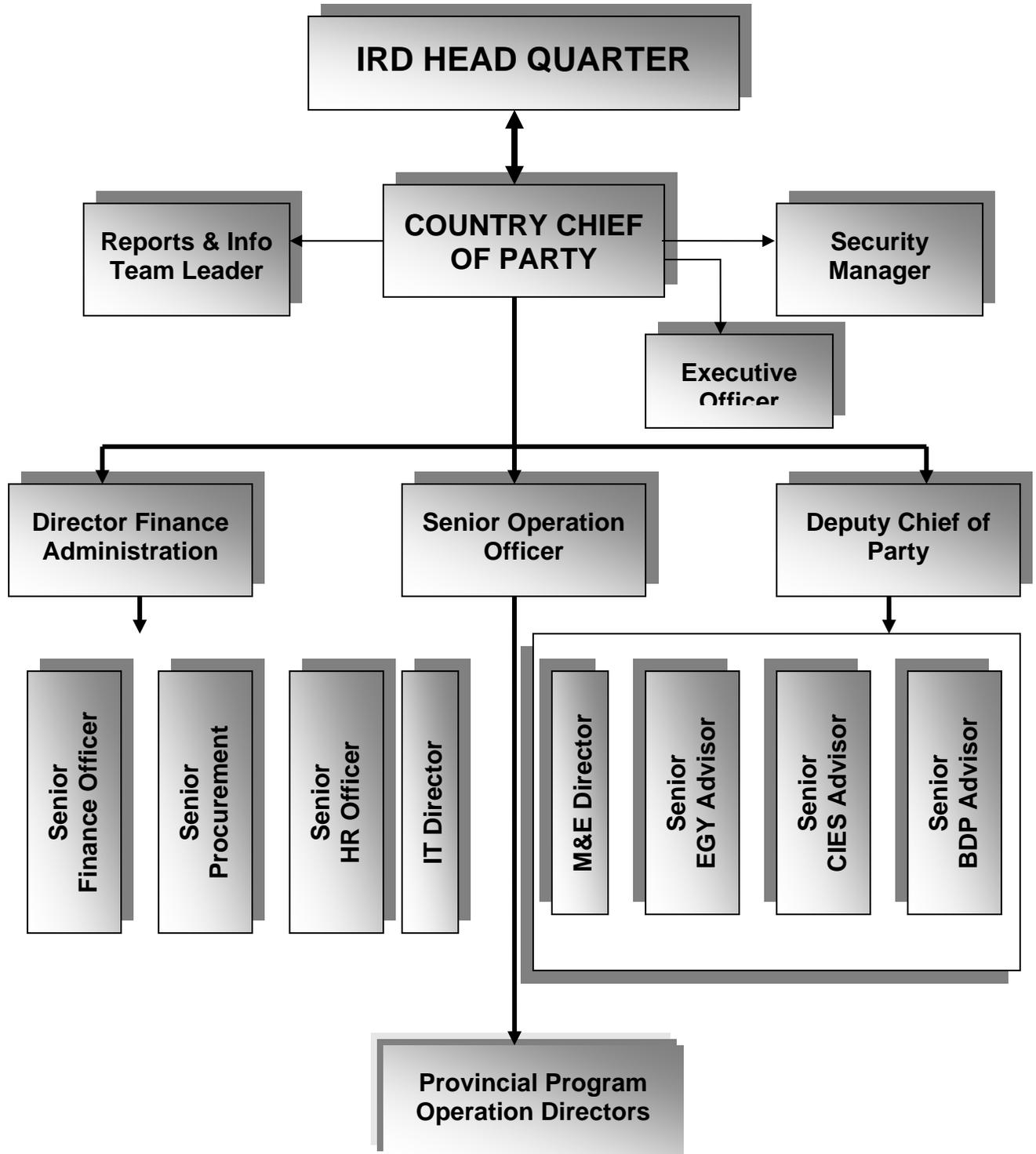
Organization Chart (OC) is one of the most essential tools that are required to reflect the level of responsibility and line of correspondence among any organization establishment team members.

The Organization Chart shall discipline the exact role and dedicated authority and responsibility of each team member and department thought out the processing instruction guide and flow chart

The following schematic diagram is showing the basic requirement but not limited depends on size and type of business;

- Head Quarter
- Country Cooperate Staff
- Provincial Expat Staff
- Provincial Local Staff

The solid lines reflect the direct relation between upper tiers and subordinates, and the dotted ones reflect the indirect relation in terms of administration rather technical.



BUSINESS DEVELOPMENT PROGRAM (BDP)

SME PRIVATE BUSINESS GRANT PROGRAM

The IRD Business Development (BDP) component of the CSP program will award private business grants to individuals in the CSP focused areas and communities who meet the conditions and criteria for the SME micro-grant program described below. SME private business grants will **only** be in the form of equipment and materials.

The purpose of the program is to provide training and financial assistance to vulnerable entrepreneurs engaged in small and micro business activities. All business ideas are accepted whether that business is an existing business that requires expansion or to start a new business. The SME grant program focuses on providing assistance to entrepreneurs who have a viable business idea and essential technical and managerial skills to start or expand a business. SME businesses that require assistance to expand their operations and production are also welcomed to apply for a grant as long as that expansion will increase production and the number of new jobs within that projected expansion.

CRITERIA AND PROGRAM GUIDELINES:

Applications are handed out to the communities through the local municipalities, NACs, DACs, NGOs, CAGs, SME Grant Endorsement Committees (GECs), NGO's, and any other formal or informal entities that can have sufficient outreach to their communities. All applications will be studied by IRD/CSP SME project officers; only those applications that have viable business ideas will be approved, and based on achievement of program objectives including employment as described below. Once the application is approved, the local NACs and DACs will be officially informed through a list of the approved projects in their designated areas.

Applications are evaluated based on: 1) the number of jobs created; 2) income generated; 3) measurable increases in production; 4) ability of the applicant to provide a minimum of 25% In-Kind contribution to the project; 5) and the impact the activity has on the community.

HOW TO APPLY:

Interested persons should contact their representatives (Baghdad as example: NACs, DACs, CAGs, MOLSA, GECs, NGO's...etc) to obtain a Grant Application Form. All mentioned representatives are also encouraged to identify potential entrepreneurs in their areas of responsibility and take the role in providing assistance in informing the potential applicants on how to apply for the grant within the program guidelines and procedures.

2. The applicant must submit his application to the representing entity, as described above, in his/her residential area despite where his/her business is to be located within Baghdad (or any other future identified area). The respective NAC who represents the residential neighborhood of the applicant is informed and endorses the application confirming that the applicant resides within that neighborhood and has a good reputation.
3. Grant Application Forms must be filled out in full and returned back to the representative for endorsement.
4. Applications are reviewed and scored based on how well the applicant addresses the overall criteria (goals and objectives) of the program. Applications that score the highest

will undergo a Site Assessment (feasibility study) by the SME program officers to verify information on the application and to collect additional information as needed.

5. Applications that successfully pass the Site Assessment will be forwarded to the IRD Project Approval Committee (PAC) for final decision and award of grant.
6. The applicant signs a grant agreement contract with IRD confirming the willingness and ability of the applicant to fulfill all business obligations regarding starting the business and running proficiently.
7. NAC and DAC are informed of all approved and awarded grants.

ELIGIBILITY CRITERIA:

I. Minimum Criteria: In order to be considered, all applicants must meet the following:

- Be a resident of the district representing the CSP focused areas.
- Only applications submitted using the provided application form, by IRD, will be evaluated.
- Submit the completed Grant application form to the Representative that is legible and indicates a clear activity for which funding is requested.
- The application must have signed Representative endorsement and the respected NAC.
- Priority is given to, but not limited, the vulnerable groups that have no source of income.
- All business ideas are accepted as long as it is viable and does not violate USAID regulations, such as: agriculture, livestock, manufacture, trade, service, homebased, and any other economical sector.
- Grant assistance is only provided in the form of: purchase of equipment, machinery, raw material, or goods for existing or new enterprises. No cash is provided to grantee, all operational costs and expenses are the responsibility of the business owner (grantee).
- Farm activities: Purchase of livestock, farming equipment, planting materials and other items that are directly related to increasing income, increasing production and creating employment.
- It is not necessary to open the business within the same residential area; it is obvious that businesses are located in suitable areas concerning the activity of that business. (i.e. if an applicant lives Rusafa, he may open his agricultural business in Fahhama/Adhamiya which is a well-known agricultural area)

NUMBER OF PERSONS EMPLOYED:

Any business idea, in order for it to be accepted, should be able to provide a minimal number of jobs within the value of the required grant. E.g.; if an applicant is to apply for a \$10,000 grant, the business he/she is planning to open or expand should be able to create 3-4 new long term jobs. SME program officers study the applications along with the concerned grantee to understand how that business idea will achieve that goal. If the projected business idea is unable to achieve that condition then the applicant is informed that the business idea is rejected and he/she is told to apply for another business idea that complies with the program guidelines.

Below is the size of grant that an applicant can apply for with the minimal jobs created for that grant:

1-2

engaged/employed on the particular activity applying for

US\$ 3,000

3-4	engaged/employed on the particular activity applying for	US\$ 10,000
5-9	engaged/employed on the particular activity applying for	US\$ 25,000
10 or above more	engaged/employed on the particular activity applying for	US\$ 25,001 or

IRD/CAP has also funded businesses that required grants for more than \$25,000; the minimal number of jobs for grants exceeding \$25,000 was 10 long term jobs.

Applications with more employment will score higher than applications with lower employment.

III. Overall Evaluation Criteria: All applications will be scored based on how well they address the following:

- | | |
|--|---------------------|
| 1. Project Description and Plan | (30 POINTS) |
| 2. Project Budget | (15 POINTS) |
| 3. Project Indicators | (40 POINTS) |
| 4. Community Impact and Involvement | (15 POINTS): |

- 1. PROGRAM DESCRIPTION AND PLAN (30 POINTS):** Applicants must demonstrate that they have the necessary knowledge, skills, and resources required to undertake the proposed activity. This would include:
 - An understanding of the market for their activity. Where will the product or services be sold? At what cost? Level of competition? Any information that indicates that the applicant understands the market competition.
 - Clear description on how the IRD donation would be used. The applicant must show how the materials to be donated by IRD will be used, who will use the materials, and how the materials will create jobs, increase incomes and increase production.
 - Clear description of how they would manage their proposed activity. Ownership, use and maintenance of the donation.
 - Clear description on how the applicant plans to keep in business after the IRD Donation is made (how they will reinvest incomes into the activity).
- 2. BUDGET (15 POINTS):** IRD will review the budgets and score based on how realistic the request is with regard to the proposed activity and business idea. IRD will only provide materials, machinery, equipment, livestock, raw materials etc., and no cash money.
 - IRD will not provide cash money, pay salaries, pay rent, pay utilities, pay for construction or any costs that are not directly related to the proposed activity.
 - Requests for the purchase of raw materials will need to justify how this will create additional employment and be sustainable over a period of time.
 - In order to be competitive, any budget over US\$10,000 will need to show that a minimum of five (5) persons will be engaged in the activity whether the business is a start up or an expansion for existing business.

- IRD will procure all items via a competitive process and can only procure new items; requests for the purchase of used and refurbished equipment and machinery are not allowable. It is preferred to purchase Iraqi made equipment to encourage local industry. No sources prohibited by USAID regulations are accepted.
- 3. IRD INDICATORS (40 POINTS):** Applications will be evaluated based on how the proposed activity meets or exceeds the following:
- Vulnerability of the applicant (is the applicant truly vulnerable?) Applicants must provide proof of vulnerability. Examples would be disability, unemployment, and single parent headed household.
 - In-Kind Contribution (see below).
 - Number of persons to be employed (described above).
 - Number of persons to benefit from the activity. Number of persons to benefit would include immediate family members, persons employed, and other persons who will benefit as a result of the IRD donation.
 - Number of woman engaged in the activity.
 - Income to be made from the activity. Incomes refer to money available after costs of production are calculated. This can be either daily, monthly, seasonally or yearly.
 - Increases in production.
 - Environmental impact of the activity. The activity cannot cause damage to the environment. Any activity that improves the environment will score higher.

In-Kind Contribution: For each grant made by IRD, the applicant must contribute a minimum of 25% of the project cost. For example, if the request is for US\$5,000 from IRD, the applicant must show as least US\$1,250 in the form of in-kind. The only allowable in-kind contributions are:

- *Cash contributions by the applicant for the purchase of materials and equipment made at the time of purchase.*
- *Material contributions by the applicant needed for the effective operation of the activity. For example, the purchase of raw materials or equipment in addition to the IRD donation.*
- *Payments made by the applicant for rental of premises needed for the activity.*
- *Payments of salaries of any new employees as a result of the donation.*

All In-Kind contributions must be made within six (6) months of the award of the grant and must have verifiable receipts in order to be counted.

- 4. COMMUNITY IMPACT AND INVOLVEMENT (15 POINTS):** Applications will be evaluated based on the following:
- *Representative Community Endorsement: Is there a letter of endorsement from the Representative (e.g. NAC, DAC, MOLSA, CAG, and GEC)? Has the applicant been in contact with the Representative and are they aware of the application?*
 - *The need of that community for the proposed business activity.*

Submission of an application is in no way a guarantee of being funded. IRD receives numerous applications and it is impossible to fund all applications. If an application is rejected, the applicant is encouraged to apply during the next funding cycle.

Applicants are free to use the services of outside consultants in preparing or providing technical assistance for the application. IRD bears no financial responsibility nor is liable in any way for disputes between a consultant and the applicant. The applicant should know that it is not only the "technical" aspect of an application that is evaluated, it is also the commitment of the person or persons submitting the application, the extent to which the activity meets program indicators, the value the activity adds to the community and the ability of the applicant to adhere to the terms and conditions of any grant agreement.

The application and any supporting documents will remain strictly confidential and not be disclosed to any third party without the prior written consent of the applicant. IRD will keep on file all applications and supporting documents no longer than two (2) months. Any applicant who wishes IRD to return their application and documents back to them can request to do so in writing. Any applicant who attempts to influence or hinder the evaluation process will immediately be disqualified from the process.

STEPS IN PROCESSING AN APPLICATION FOR SME GRANTS:

STEP 1: The applicant is to submit a completed application to the local representative. The date of submission of the application will be noted. The application will be reviewed to ensure that there is sufficient information with which to evaluate the proposed activity. If the information provided is not complete, meaning that the form was not filled out properly, the application will be marked as "0" and will not undergo further review. If an application is properly filled out and contains sufficient information, the application will proceed to the next step in the review process.

The Application should contain the following:

- a. Filled PAF with all the demanded information.
- b. Filled Feasibility Study Form with all the demanded information for the Grants more than \$3000 only.
- c. Filled Contribution List with all the items with which the grantee is going to contribute in his project (Rent & Salaries are not included).
- d. Filled Needs List with all the needed items in detail (Mark, Type, Model No. , Size, Origin {Iranian, Syrian, North Korean are forbidden}, etc...) accompanied by at least 2 price offers from known shops for each item.
- e. A geometrical diagram of the project in which the grantee shows where to put the equipment of the project.
- f. Copies of 4 ID's of the grantee with the original ones (just for comparing them with the copies to be sure that they are not fake).
- g. Certified Salary amount Paper + copies of 4 ID's of 2 grantors (sponsors) for grants less than \$5000, 3 grantors (sponsors) for grants more than \$5000.
- h. Certifications & Experience Documents (copies) of the grantee (if there is any).

STEP 2: Weekly, until the due date is reached, the local Representatives will deliver application forms to the IRD program officer, in the Business Development (BDP) program. Each week the

BDP team will review all applications received and score each application based on the substance and quality of information provided. Applications are scored as a 1, 2 or 3. A score of “1” is acceptable meaning that the application will proceed to step 3 in the review process. A score of “2” is borderline, meaning that the application is good but requires specific clarification before proceeding. The applicant will be contacted and will be given the opportunity to clarify (in writing) the concerns expressed by the BDP review team. A rank of “3” is unacceptable and will not be considered for further funding consideration, the applicant will be notified and offered the opportunity to revise and resubmit during the next grant cycle based on BDP team recommendations.

During this step, BDPO gives the file to the Program Assistant after adding the NAC (**Neighborhood Advisory Council**) & GEC (**Grant Endorsement Committee**) Papers in order to be given a tracking name and date.

STEP 3: The BDP team will then conduct a site visit, through the SME Program Officer, to inspect the proposed location of the project, meet the person or persons who submitted the application and clarify any outstanding issues. During Step 3 the SME Program Officer will ask the applicant to prepare and submit to the BDP team any supporting documents that may be required (registrations, invoices, staff contracts, technical drawings, bank statements, ownership documentation etc.). Further, the BDP team may choose to hire an outside consultant to review the activity proposed in terms of market assessment, cost analysis, technical feasibility, suitability etc. After the site assessment, each application will be put “on-hold” until all supporting documentation, including consultant reports are submitted.

During this step, the Business Development Officer is going through these steps:

1. BDPO meets the grantee and discuss the project with him taking all the necessary information from him checking the contribution true values and the needed items with the price offers. BDPO can edit either of them if necessary. Major question here is: “Can the grantee run such a business and make it successful & viable?”
2. BDPO writes down his notes on the 3rd paper of the PAF and signs it. Then, he hands it to his senior to write his notes and sign it too.

STEP 4: For all applications that reach step three the SME Program Officer will forward the application onto the IRD/CSP Project Approval Committee (PAC). The PAC will then give the final decision. Hence, the Business Development Officer does the following:

1. BDPO writes down his notes on the 3rd paper of the PAF and signs it. Then, he hands it to his senior to write his notes and sign it too.
2. BDPO fills the BOQ (Bill of Quantity), SAF (Site Assessment Form), and Proposal. Then, he prints them putting his initials on the first pages and signature on the last one of each. After that, he gives them to his senior to do the same thing. Finally, he gives them to his director to put his notes and sign them.
3. BDPO takes the file back and checks the notes of the director. After doing the corrections printing the corrected pages only, replacing the old ones and signing them. The file now is ready for PAC (Project Approval Committee).
4. BDPO writes down a brief for the project to be discussed in the PAC, presenting it, and gaining its approval.

STEP 5: BDP role; once all supporting documentation is submitted the application is translated into English (if not already done), and the appropriate SME program forms are prepared, the

CSP/SME forms along with the application, site assessment forms and consultant reports are submitted to the IRD/CSP PAC for final decision. If approved, grant contract agreements are prepared and a grant award is made. If rejected, the applicant will be allowed to revise and resubmit during the next funding cycle based on PAC recommendations.

STEP 6: The local representative and NAC is informed of all approved applications within their designated areas.

STEP 7: Once approved and grant agreement is signed; the grantee is informed to start implementation his/her part of the contribution (e.g. renting the business location, getting all necessary initial permits (if needed), making all infrastructure requirements, hiring staff, decorations,...etc), the procurement process will begin by the IRD Procurement and Tendering Department. The applicant will also be required to attend one training seminar on the reporting requirements for an IRD SME Grant.

This is a detailed step in which the Business Development Officer has to do the following:

1. BDPO has to take the approved projects code list, fill Contract Agreement, print it, and put the codes into SAF & Proposal.
2. BDPO brings the grantee and his grantors to sign and imprint with left thumb the Contract, Contribution List, and related Environmental Conditions Paper (if there is any).
3. BDPO receives the rent contract (certified if the grant is more than \$5000) from the grantee and goes to the business location to take Pictures Before and North & East Coordinates by GPS Device, telling the grantee to start implementing his contribution, then put the coordinates into SAF & Proposal.
4. BDPO receives the vouchers and timesheets of contribution from the grantee. After verifying them with the original Contribution List, he goes to take Pictures During.
5. BDPO sends the file for Tendering with a Floppy Disk of the exact BOQ signed by QS (Quantity Surveyor) and senior.
6. BDPO has to prepare a Site Visit Form on the due date, telling the grantee to be present at the site visit time in case contractors have any inquiries about BOQ items.
7. BDPO receives the awarded contract from Tendering Dept. He calls the awarded contractor, giving him the phone no. of the grantee to fulfill supplying what are exactly written items in BOQ to the business location.
8. BDPO receives serial numbers of the equipment from the contractor (if there is any). He put them into Receiving Report and CoW (Completion of Work) and print them. He goes to the business location to take Pictures After and makes the grantee sign & imprint the Receiving Report & CoW, the contractor sign & stamp them too, and the Director of Tendering sign CoW.
9. BDPO has to edit the BOQ according to the awarded contract and print the new one.
10. BDPO has to fill Sub/Payment Form & Performance of Contractor Form and print them.
11. BDPO receives the contractor Final Payment Form (Supplying Letter, Employment Opportunities Study, and Workers Timesheets).
12. BDPO prepares the procurement according to this order:
 - i. Sub/Payment Form
 - j. Performance of Contractor Form
 - k. Edited BOQ
 - l. CoW
 - m. Receiving Report
 - n. Final Payment of Contractor

- o. Certificate of a specialist (if there is any)
 - p. Awarded Contract.
13. BDPO prepares the V.O.C. (Verification of Contribution) and print it, putting the verification according to the following order:
- q. V.O.C.
 - r. Vouchers, Receipts, and Timesheets
 - s. Picture Before
 - t. Picture During
 - u. Picture After
 - v. Rent Contract of business location
 - w. Permits (if there is any)

STEP 8: Once the project is completed; the IRD SME program officers will monitor the project for six months to ensure the fulfillment of all project requirements, the payment of the social repayment, and documentation of employment and production indicators.

STEP 9: Once the grantee fulfills all commitments, the project is closed out and the grantee receives an official letter of full ownership of the business.

Step 10: A training need assessment is conducted with the grantee to identify training needs in business management skills or other technical issues, in order to elevate business awareness and enhance the business capabilities of the grantee to operate a successful business.

For any reason due to the grantee or IRD, the project may be refused either before the PAC or after it

- If the project is refused before the PAC, BDPO should fill in a Rejection form mentioning the reason behind.
- If the project is refused after the PAC, BDPO should fill in a Cancellation form mentioning the reason behind.

Any variation concerning a change of duration or items in the contract between the local contractor and IRD needs the BDPO to fill in a Variation Order Form (VO) which contains the following:

- 1- The local contractor request for a change
- 2- The signed BOQ
- 3- VO Form
- 4- The Report of QS (Quantity Surveyor)

REPORTING AND EVALUATION

1. Financial Reporting

Invoice at the budget line item level.

1) Invoice at the budget line item level shall be submitted to the IRD-CSP Director of Finance and Administration on a monthly basis, no later than the 5th of each month.

2) The original and two copies of all final financial reports shall be submitted to the IRD-CSP Director of Finance and Administration.

2. Program Reporting and Reporting Schedule

The Recipient will provide the following reports to the IRD Chief of Party (COP) and to the IRD CSP Business Development Team Leader (BDTL), via E-mail, in accordance with the Substantial Involvement provisions.

1) Initial Implementation Plan (Work Plan):

Within thirty days (30) of the Sub-Award, the Recipient shall develop and submit the annual work plan to the BDTL. The Recipient should submit the work plan both in hard copy (2) and in an electronic format. The work plan should be action oriented, delineated by calendar quarter, and linked to each goal and objective of the Agreement. Specific criteria for sub-grants should be included.

IRD approval of the work plan shall be in writing. In addition, any substantial revisions to the work plan shall require the written approval of IRD.

2) Performance Monitoring and Evaluation Plan

The initial Implementation Plan must set forth a comprehensive plan that measures impact and progress toward achieving results over the life of the award. The Performance Monitoring and Evaluation Plan (PMP) must include indicators, targets, data sources and collection methods, baseline information, benchmarks and schedule for periodic evaluations by the Recipient.

Agency monitoring to permit specified kinds of direction or redirection because of interrelationships with other projects, i.e. coordinate and plan mechanism developed when CERT and CSP fund joint programs.

The Recipient will be expected to assign a high priority to continuous monitoring and evaluation of all its operations and assistance, not only for the purpose of effective internal self-monitoring and planning, but also to ensure that the implementer can demonstrate results under the objectives of this project.

3) Weekly/Monthly Performance Reports

The Recipient will submit weekly and monthly reports according to proposal. In addition, the Recipient will prepare power point presentations, as often as necessary, and collect success stories with pictures to share with IRD.

The following information in the weekly reports:

A. Project activity list, mentioning the following for each project (preferably in an EXCEL spreadsheet):

1)Project Code; 2)Project Title; 3)Project Status (Identified, Approved, Tendered, Contracted, Completed, Closed, Cancelled, Rejected); 4)Project Description; 5)Grantee Name; 6)Grantee Gender; 7)Age Group; 8)Purpose of Grant (for Start up or Expansion purposes); 9)Approval (Start) Date; 10)Completion (End) Date; 11)Close Out Date; 12)Grantee Residential Address (Governorate, District, Neighborhood, Mahalla, Zukak, Building No., GPS Coordinates, any other details); 13)Business Address (same details as in residential address); 14)Project/Business Nature; 15)Business Class (Micro, Small, Medium); 15)Grant Value; 16)Grantee Contribution, 17)New Jobs Created (Female, Male) Long Term and Short Term; 18)Production and Revenue; 19)Training Status; 20)Beneficiaries (Direct and Indirect); 21)Reference of Application Identification (GEC, NAC, DAC, MOLSA, IACCI, or any other party); 22)Actual data after close out of project.

B. Any other data or info subject to notification by IRD.

The following information in the monthly reports:

- a. Project activity list as mentioned above.
- b. Executive Summary.
- c. Background and summary of key achievements.
- d. Activities to date.
- e. Activities during reporting period.
- f. Progress toward Objectives.
- g. PRT and Local Government Coordination
- h. Progress on Performance Indicators.
- i. Success stories.
- j. Challenges and Solutions.
- k. Operating Context; Security, Personnel.
- l. General Financial Overview.
- m. Any other data or info subject to notification by IRD.

4) Quarterly Performance Reports

Pursuant to 22 CFR 226.51, the Recipient will submit quarterly performance reports (two hard copies and an electronic copy) to the BDTL. These reports must summarize the outcomes of the Recipient's activities during the particular reporting period, document any program accomplishments or progress towards results during the reporting period, compare those results to the planned tasks in the implementation plan and PMP and discuss any potential constraints that might prevent the Recipient from meeting agreed upon targets and benchmarks. Reports should also contain, as an attachment, a list of all sub-grants issued under the award during the reporting period. The list should contain the name and contact information for each sub-grantee, the title and duration of the project, the amount of the award, and a brief description of the project.

The first quarterly report will provide IRD with annual data on the agreed upon performance indicators as well as any additional qualitative results information the awardees would like to include to demonstrate the results achieved vis-à-vis the project's objectives during that particular reporting period.

The following information in the quarterly reports:

- a. Project activity list as mentioned above.
- b. Executive Summary.
- c. Background and summary of key achievements.
- d. Activities to date.
- e. Activities during reporting period.
- f. Progress toward Objectives.
- g. PRT and Local Government Coordination
- h. Progress on Performance Indicators.
- i. Success stories.
- j. Challenges and Solutions.
- k. Operating Context; Security, Personnel.
- l. General Financial Overview.
- m. Any other data or info subject to notification by IRD.

5) Final Report:

Pursuant to 22 CFR 226.51(b) and the Program Description, a final performance report will be required under this award. The final performance report will:

- Contain an overall description of the activities under the Program during the period of this Sub-Award, and the significance of these activities;
- Describe the methods of assistance used and the pros and cons of these methods;
- Present life-of-project results towards achieving the project objectives and the performance indicators, as well as an analysis of how the indicators illustrate the project's impact on the accomplishment of the program's overall objectives;
- Summarize the program's accomplishments, as well as any unmet targets and the reasons for them; and
- Discuss the issues and problems that emerged during program implementation and the lessons learned in dealing with them.

The following information in the annual/final reports:

- a. Project activity list as mentioned above.
- b. Executive Summary.
- c. Background and summary of key achievements.
- d. Activities to date.
- e. Activities during reporting period.
- f. Progress toward Objectives.
- g. PRT and Local Government Coordination
- h. Progress on Performance Indicators.
- i. Success stories.
- j. Challenges and Solutions.
- k. Operating Context; Security, Personnel.

- I. General Financial Overview.
- m. Any other data or info subject to notification by IRD.

The Recipient shall submit the original, one copy and an electronic copy to the COP and the BDTL. Final documents shall be submitted to the D-COP and Team Leader: (a) Via E-mail.

BUSINESS DEVELOPMENT TRAINING PROGRAM

The Business Development component also has an effective business management training program that will concentrate on enabling trainee participants with essential skills and knowledge to engage them in employment opportunities. The training program will also be linked with the SME Private Business Grant Program; trainee participants will be introduced to the SME grants and encouraged to apply for grants within the guidelines of the program. This linkage will give the business development component more means of success to the entrepreneur who lacks adequate funds to start a business and the essential managerial skill requirements to successfully operate a private business.

GOALS AND OBJECTIVES

The overall goal of the SME training program is to equip aspiring and current micro and small private sector enterprises with intellectual and professional capacity to develop and expand as well as prospective professionals seeking positions in existing companies to acquire the skills needed to find a job.

By providing this infusion of intellectual capital, IRD will equip a business or aspiring professional individuals with the ability to begin a meaningful career, or expand or start up a business. In both cases, IRD is equipping individuals who are potential or existing business leaders with the ability to find jobs, or create jobs for others to fill.

Along with the training, IRD wants to see trainees benefit from their new skills through finding business or employment opportunities following the completion of their training. Trainees completing the training will be provided with basic tool-kits that will assist them in keeping their new skills sharp and make them attractive to potential employers, or be grafted into the small grant program that IACCI is directing for IRD, should they qualify.

TARGET TRAINEES

IRD will pre-qualify all trainees through a process of completion of forms that require information that will assist IRD in assessing the need for training along with the potential to quickly accept and acquire the new skills that will be taught.

Targeted trainees will consist primarily of two main groups: the first is the prospective or existing owner/manager of a micro or small business who could be a prime target for benefiting from the IRD SME grant program upon completion of training. The second group of targeted trainees consists of those persons who are looking for work as government of large company employees, in need of administration, sales and marketing, or finance skills.

TRAINEE GROUP 1: SME BUSINESS MANAGEMENT TRAININGS ON HOW TO START AND EXPAND A BUSINESS

Business Management training is an essential requirement for business success. In general the business training programs will focus on key managerial aspects of the business within the framework of the four series of topics (Financial Management, Human Resource Management, Marketing, Company Leadership and Organization). Each topic has several specific subjects for which IACCI and IEDC will provide training. The breakdown of these topics is listed here below:

<p>Marketing Series Courses</p> <ul style="list-style-type: none"> • Introduction to Marketing Concepts • About Customers: Gathering information • Gathering Information on Purchasing Processes and Trends • Target Markets • Product Planning and Development • Pricing and Pricing Strategy • Promotion and Advertising • Building Public Relations • Caring for the Customer 	<p>Human Resource Management Courses</p> <ul style="list-style-type: none"> • The Owner-Manager And The Human Resource Function • Job Analysis • Job Descriptions, Specifications, and Standards • Recruiting, Job Search, and Selection • Wage and Salary System • Appraising Performance <p>Finance and Accounting Courses</p> <ul style="list-style-type: none"> • Controlling Costs • Working with Budgets • Accounting for non-Accountants • Making a Financial Case
<p>Quality Management Courses</p> <ul style="list-style-type: none"> • Understanding Quality • Achieving Quality • Auditing Quality • Controlling Physical Resources • Planning and Controlling Work • Office Management <p>Personal Productivity Skills Courses</p> <ul style="list-style-type: none"> • Leading Change • Leading your Team 	<p>Personal Productivity Skills (cont.)</p> <ul style="list-style-type: none"> • Managing with Authority • Becoming more Effective • Delegating Effectively • Motivating People • Communicating in Groups • Making and Taking Decisions • Solving Problems • Managing Time • Making Communication Work

TRAINEE GROUP 2: ASPIRING EMPLOYEE PROFESSIONALS

Along with the business planning courses mentioned above IRD through IACCI will conduct courses for unemployed individuals in centers that are in or near target areas that focus on three professions: **administrative/secretarial, accountancy, and sales/PR**. As a matter of experience in running a business that hires employees from these professions, there is a lack of skilled professionals in the labor market in Baghdad in each of these three areas.

It will be IRD's goal to train persons from the focused target areas. We would like to keep the exact specified number per target location fluid over the course of the training, making adjustments based upon the number of applicants per area that may vary.

The **administrative/secretarial program** will run for approximately 3 months of intensive instruction and consist of the following courses:

1. Fundamentals in Computers (IC3 or ICDL) (55 hours)
2. Oxford New Headway English primary level (48 hours)
3. Oxford New Headway English secondary level (72 hours)
4. Writing Effective Reports (10 hours)
5. Basics of Applying for a Job and Preparing for an Interview (5 hours)

The **sales/PR program** will run for approximately 1.5 months of intensive instruction and consist of the following courses:

1. IFC-BE Integrated Communication Strategy (Promotion and Advertising / Building Public Relations) (10 hours)
2. IFC-BE About Customers: Gathering information (10 hours)
3. IFC-BE Caring for the Customer (10 hours)
4. Oxford New Headway English primary level (48 hours)
5. Basics of Applying for a Job and Preparing for an Interview (5 hours)

The **accountancy program** will run for approximately 1.5 months of intensive instruction and consist of the following courses:

1. Fundamentals in Computers (IC3 or ICDL) (55 hours)
2. IFC-BE Reading and Understanding Financial Reports (10 hours)
3. IFC-BE Working with Budgets (10 hours)
4. IFC-BE Controlling Costs (10 hours)
5. Basics of Applying for a Job and Preparing for an Interview (5 hours)

TRAINING DURATION

Ideal duration for each individual in SME Business Management skills training is 6-10 days, covered in 4-6 hour days of training, depending on the needs of the target SME clients, and taking into consideration that late afternoon is not desirable due to the unstable security conditions prevailing in Baghdad in particular. English course run between 48 and 72 hours of instruction, and computer courses run for 45-55 hours of instruction. All training sessions will be designed based on training needs assessments TNAs for the prospected participants.

Potential trainees will be identified by the local representatives (NACs, DACs, MOLSA, CAGs, GECs, Mass Media, and so on); the Training Provider sub-contracted for the CSP program will conduct TNAs with identified participants to determine the specific training needs of the trainees.

The training component will focus on unemployed youth, which are skilled, semi-skilled and unskilled, and entrepreneurs who have the desire and ability to start or expand a business. Business management training will enable them to find sustainable jobs, operate businesses efficiently, and join the workforce effectively. The participants, as mentioned earlier, are

encouraged to apply for a SME grant to start their own businesses or they can find other jobs elsewhere. The training provider, IACCI and IEDC, along with IRD will monitor the impact of the training sessions and track actual employment records of the participants after the training sessions are conducted.

RESPONSIBILITIES OF THE TRAINING PROVIDER CONTRACTED BY IRD

The training provider; IACCI and IEDC will:

- ✓ Carry out in as quick a time-frame as possible an economic survey of the target area according to the methodology outlined above.
- ✓ Assume responsibility for all logistics for carrying out the survey including identification of sample group, provision of survey materials, provision of data collectors, provision of data analysts and translators etc.
- ✓ Submit final survey results with analysis to IRD within 45 days of signing the contract resembling the attached sample survey conducted for IRD.
- ✓ Assume responsibility for all training logistics including rental of training facilities, identification of training participants, provision of training materials, provision of trainers, provision of drinks and snacks for trainees etc.
- ✓ Develop a project database which tracks all activities of the training programs (number and type of courses provided, number and names of trainees per course, number and names of trainers per course, track daily course attendance, course evaluations, lecture topics and work plans).
- ✓ Provide training syllabus, trainers, and training supervision.
- ✓ Supply all training aids and materials required for the training program.
- ✓ Provide weekly reports to IRD on the status of each training program including training syllabus, copies of printed materials and database updates.

DELIVERABLES

The contracted training providers will produce the following documents, and submit it to IRD for documentation and reporting, which will be used for assessment of goal achievement, and for auditing purposes:

- ✓ Survey reports for targeted areas.
- ✓ Trainee registration documents.
- ✓ Trainee attendance sheets.
- ✓ Trainer CV's demonstrating training competency.
- ✓ Daily program status report for each course in the form of an email update from the training Coordinator or the Assistant Coordinator.
- ✓ Weekly program status report for each course with photographs.
- ✓ Trainers' evaluation by participants.
- ✓ Final course evaluation in the form of a written report at the end of each course.
- ✓ Copy of successful program participation certificate for each participant.
- ✓ End of project report outlining the overall impact of the program noting any jobs created, lessons learned and recommendations for follow-on training programs.

Annex C: BDP Survey Questionnaire

MSME Grants Site Visit monitoring Form

Part A: Grant identification (to be filled by survey administrator from the grants database)

1-SMSE Grant Code:	1.1 Project Code:
2-Grant Title:	
3-Governorate:	
4-District;	
5-Sub-district and/or Neighborhood:	
6-Mahalla;	
7-Type of project - MSME Grants....	
8-Grantee Name;	
9-Purpose of Grant -	
10-Pre-Grant employment (if available from application, enter 00 if none, leave blank if not available):	
10.1 Male : _ _ _ ;	
10.2 Female: _ _ _	

Part B: Survey response information

11-Interview date: / / [day (01 to 31)]/month (01 to 12)/year (2007)]
12-Interview result (circle one): 1) completed; 2) not at home; 3) refused; 4) could not locate grantee; 5) other (explain below)
13- Monitor name: _ _ _ _ _
14-Monitor comments if the interview was not completed:

Part C: Grant utilization and compliance

15 – Proposed project completion date; / /
16- Is the site being used for the granted purpose (ref 9 above)? Yes....., No.....
16.1- If No, what is the site currently used for?
.....
17- Kind of IRD existing contribution in the project?
17.1-
17.2-
17.3-
18- Monitor comments on grant compliance:

Part D: Grant implementation

19- Post-grant employment? (enter 00 if none) 19.1 Male :__ __ __ ; 19.2 Female :__ __ __
20- Does the grantee have records that document:- 20.1- Employees? Yes....., No 20.2- Sales/income? Yes....., No..... 20.3- Expenditures? Yes....., No..... (IF Yes, attach a copy of each document/ if possible).
21-Was the grantee advised to attend business training ? Yes..... , No.....
22-Did the grantee attend sponsored business training? Yes....., No
23- Did you receive training for your work? Yes..... , No..... If Yes, specify the training type & where did you receive this training?.....
24-How confident are you in your ability to do the following? (respond from 1 to 5, where 1 represents not at all confident, and 5 represents having complete confidence in your ability) 24.1 Keep accurate accounts: ____ 24.2 Market your product or services ____ 24.3 Technically produce your product or provide your service ____ 24.4 Obtain additional credit or banking services ____ 24.5 Obtain the professional/legal services that your business might need ____
25-Did the grantee prepare a business plan? Yes....., (go to 25.1), No (skip to 26) 25.1 Has the grantee met the objectives of the plan? Yes.....(skip to 26), No If no explain why the objectives could not be met:
26-What kind of obstacles are facing your project? (open ended response by grantee) 26.1 How might you be able to overcome these obstacles?
27- General comments and observations by the monitor (about work/ project success)

Part E: Importance of the grant to family income

28- Are you able to support your family from the income generated by this business (project)? Yes....., No

28.1 Are other members of your family employed by this business? Yes....., No

29- Do you have employment in an occupation not related to this grant? Yes....., No

29.1 Do other members of your family have employment that is not related to this grant? Yes....., No

30-Does your family receive food supplements from the Ministry of Trade food distribution system? Yes....., No(skip to 31)

30.1 Are these food distributions critical for the well-being of your family? Yes....., No

31- Does your family receive income supplements from MOLSA? Yes....., No

31.1 Are these income supplements critical for the well-being of your family? Yes....., No

32-Comments by the respondent on the importance of the grant

Annex D: Completed BDP Survey Questionnaires

(REDACTED)

Annex E: IRD Response to Recommendations

	Recommendations:	BDP Response	Action	Timeline
1	Ensure that when the pre-grant approval site visit is made the assessment includes whether or <u>not there is appropriate electrical, water and sanitation available to support the business</u> and, if not, require that the issue be resolved prior to grant approval.	We agree; BDP is undertaking these steps as part of the Grantee Contribution and initial site visits.	The Iraq Wide team will confirm that this is followed in each city and include in the BDP training for future BDP Grants Officers and ensure current Grant Officers comply.	Kirkuk – end of October Iraq Wide – Current cities end November Ongoing for new sites
2	<u>Review the BDP guidelines</u> to determine whether or not grantees should be required to produce a PMP with indicators against which they must report. It is doubtful the grantees would be able to fully understand the concept of a PMP with indicators. Instead, BDP might consider requiring the grantee to report progress against their approved business plan . (Found in Annex C under reporting and evaluation)	A full review of the BDP guidelines and grant paperwork is on the agenda for the BDP Iraq Wide team once EID has finished and was on our list before reading this report.	The first design for this process will be introduced to the CSP team at the Retreat in November 07. Further review will occur over coming months – it currently is a complex paper trail that needs refining.	Iraq Wide – begin review November To be completed by end January 08
3	<u>Track business income</u> on a quarterly basis. If income is decreasing, or not able to sustain the business, require the grantee to attend business skills training .	This is a very valid recommendation and one that the BDP Iraq Wide team will work with.	<ul style="list-style-type: none"> • BDP Iraq Wide to develop a program to train the Grants Officers; • Develop a process ensuring data is collected through M&E and at the review visits. • Work with Grant Officers to encourage Grantee to undertake the relevant training. 	Iraq Wide – Feb 08
4	<u>Set an income benchmark</u> per business at which time the grantee is able to stop receiving food distributions. Use this information to report success to USAID and GOI ministries.		<ul style="list-style-type: none"> • Work with USAID and GOI's MoP&DC, MoT & MLoSA to establish these benchmarks. • Implement through training BDP Grant Officers 	Ongoing through 2008

	Additional areas of concern to BDP:	BDP Response	Action	Timeline
	<p>Business Plans are emphasized in the Survey Results section and have been an area of concern for the TA Iraq Wide.</p>	<p>The BDP Iraq Wide team is working in conjunction with several other USAID programs on this very topic and will develop training for all BDP Grants Officers in the following areas over the coming months and these will then be part of the Induction Training given to new Grants Officers within BDP. This will ensure the level of the quality of the Business Plans being developed with the Grantees will be more realistic and achievable by them and understood by them.</p>	<ul style="list-style-type: none"> • Feasibility studies and cash-flow/financial analysis for SME Grants Officers (this covers Business Plans) • Ethics and anti-corruption training 	<p>Baghdad by end December 07</p> <p>Other Cities: Jan – June 2008</p>
	<p>Business Training is emphasized in the Survey Results section of the report as an area of importance.</p>	<p>The BDP program offers excellent Business Skills training programs and will endeavor to encourage more grantees to undertake these courses to build on their current skills.</p>	<p>Encourage through refresher courses with current Grant Officers to recommend training when the grantee lacks skills in area of business management. Include ideas into new Grant Officer Induction Training.</p>	<p>Ongoing into 2008</p>
	<p>Further to the report's references to developing grantees abilities to build confidence in marketing their products or services and, their ability to obtain additional credit or banking services:</p>	<p>BDP can and does now offer marketing and credit training through our sub-contract with the IACCI Business Training Program. The BDP teams need more knowledge to encourage grantees to participate in these courses.</p>	<p>This can also be taken on by the BDP Iraq Wide Team to educate the CSP BDP Grant Officers in these areas. Include as part of Induction Training Program.</p>	<p>Ongoing into 2008</p>