

3.6 SUPPORT TO PRIVATE SECTOR ORGANIZATIONS



Upon starting the project in 2003, ARDI found that Iraq had a vibrant and enthusiastic private agribusiness sector with great potential to provide the foundation for growth and development of agriculture. At the same time, the Ministry of Agriculture was committed to redefining its role in the agriculture sector by shedding many of the production and marketing activities it had assumed under a system of central planning. This made way for the emerging private sector to thrive, and ARDI worked to build private sector involvement in coordination with nearly all of our other programmatic work to increase production of agronomic crops, high-value crops, and livestock.

With the phased withdrawal of the GOI from direct intervention in the agriculture economy, agricultural producers were free, and indeed obligated, to make individual business decisions about their farms, which are rightly viewed as production enterprises. At the same time, there was a growth of private sector

organizations, including cooperatives, professional associations, and NGOs, seeking to contribute to the reconstruction and development of the agriculture sector:

ARDI implemented a variety of programs to assist private sector development and facilitate the transition to the market-based economy in a way that strengthened the agricultural economy. ARDI worked with private sector groups, including NGOs, cooperatives, and associations to strengthen their capacity through a series of skill-building workshops in business management and farm and financial management. There was also a Senior Policy Roundtable with policy makers and individual stakeholders. These workshops were designed to build the capacity of private individuals, cooperatives, NGOs, and government officials to operate in a market based economy and provide assistance to both farmers and agriculture-based enterprises.

ARDI also conducted many public-private sector stakeholder workshops. The purpose of them was to build a shared vision of public and private sector roles in a particular subsector or service area to promote public-private sector dialogue, and to recommend ways to strengthen the subsector or service area. Stakeholder workshops were held on integrated pest management, input supplies, agricultural extension, horticulture, honey production, avian influenza, marshlands restoration, and rangeland improvement. These workshops were designed to be highly participatory (small and large group discussions) and included representatives from MOA (local and national), other relevant ministries (e.g., irrigation, health, municipal government), NGOs (from across the country), associations, and farmers or business people. They typically included 60-120 participants.

As mentioned previously, private sector development activities were coordinated with efforts to improve agricultural production in agronomic crops, high-value agriculture, and livestock production. This section contains references to other parts of this report where those activities are discussed.

COOPERATIVE ASSOCIATION AND NGO DEVELOPMENT



Iraq's transition to a market-based economy after 2003 was accompanied by the emergence of private sector groups that sought to contribute to the reconstruction and development of the agriculture sector. These organizations are flourishing, and promise to play vital roles in the transition to the new economy. These organizations include:

- **Cooperatives:** Groups of individual producers who form a business to achieve economies of scale that will help increase production and/or improve marketing to increase revenue and profits.
- **Associations:** Groups of private sector producers or businesses working together to improve a specific agriculture subsector, e.g. beekeepers/honey producers or pesticide dealers.
- **NGOs:** Private sector, community-based groups working to improve

the agricultural sector through the implementation of agriculture development programs or extension activities.

Building the capacity of these private sector groups was an important element of the ARDI program. Private sector development was a cross-cutting activity that complemented ARDI efforts to improve agricultural production. For example, ARDI provided direct assistance to honey producers through specific and targeted projects. At the same time, we worked to build the capacity of honey producer associations, to increase private sector extension assistance to honey producers, and to assure continued assistance to many more producers in a sustainable way. Building the capacity of NGOs, associations, and cooperatives provides the foundation for a stronger private presence in Iraq's agriculture sector:

It is important to note that ARDI chose to focus its private sector development efforts on small-scale local businesses, rather than larger-scale internationally-oriented agribusiness conglomerates. This deliberate focus emerged from an understanding that many small-scale businesses are better placed to generate employment in those places needing it most than are larger scale agribusinesses. This is not to imply that large-scale businesses are not important to economic growth. They are. But ARDI sought to get money, knowledge and resources into the hands of as many people as possible to chip away at the pockets of poverty that beset Iraq at the time of regime change.

SUPPORT TO COOPERATIVES

ARDI's private sector development component emphasized the development of cooperatives. A cooperative is a business model in which members or owners purchase the right to participate, and all owners have equal shares in the business. Cooperatives permit a group of individual small-scale producers to achieve economies of scale and thus greater income and profits not possible to them operating alone. Cooperatives also bring economies of scale in technical know-how and business acumen, allowing less experienced producers or marketers to benefit from the knowledge and experience of fellow cooperative members or outside resources. As mentioned above, ARDI focused on developing cooperatives a means to create employment and income for as many families as possible. Much of ARDI's work took place in volatile areas, where the support of local governments and traditional leaders was critical, and where cooperatives offered alternatives to the less savory opportunities available to local populations.

When ARDI began working in Iraq, there was already much interest and activity in building cooperatives. The US civil affairs teams, for example, strove to develop cooperatives, although their focus was primarily on construction of buildings, community centers, and other assets that did not necessarily produce immediate income. USAID's Iraq Community Action Program (ICAP) also had a cooperatives program which had a much greater business orientation than that of the military. ARDI determined that the ICAP model was best suited for sustainable cooperative development, and adopted many of the principles formulated for ICAP's use. ARDI's programmatic focus was based on: 1) business training and financial analysis before investing in a cooperative project, during which ARDI would work with cooperative members to determine the feasibility

of a given investment; 2) member financial commitment, which required that individuals or families be willing to commit their own funds to the enterprise; and 3) procurement only of assets that produce income. ARDI cooperative projects did not invest in buildings or vehicles; rather, ARDI's investment was confined to such assets as seed cleaners, sheep, cattle, and veterinarian supplies, all of which produced income for the cooperatives.

ARDI's comprehensive program to establish cooperatives in the agriculture sector was implemented using the following process:

1. Identify cooperative groups

ARDI Private Sector Development Coordinators, with the assistance of local governments and NGOs, identified groups that were interested in establishing themselves as cooperatives for agricultural production or processing. The Coordinators met with the groups frequently to determine if they were likely to succeed as a cooperative, using such criteria as ability to work together to maintain a business structure, and capability to manage a large and complex project.

2. Establish the cooperative structure

Once a group was selected, the ARDI Private Sector Development Coordinators worked with it to build a cooperative administrative structure. The cooperatives elected a board of directors and officers, including a president, accountant, and technical supervisor. The Coordinators helped the group to select candidates with appropriate skills for each position.

3. Register the cooperative

The current law governing cooperatives still considers them to be social or political organizations and not business entities, so ARDI helped the new organizations to register accordingly, to achieve basic legal recognition and status. Each cooperative registered with district and governorate administrations, and the offices of the appropriate Ministry (usually Agriculture or Justice). When a new law is created to govern business-oriented cooperatives, these groups will be positioned to reregister under the new statutes.

4. Conduct feasibility study

Before project implementation could begin, the ARDI Private Sector Development Coordinators conducted financial and technical feasibility studies. They assisted the groups to construct cash flow and income statements, showing starting and ending balances, projected cash disbursements and income, and projected profits and losses. If the preliminary study revealed faults, the Coordinators helped the cooperative to improve the business model. For example, the Coordinators worked with a cooperative formed to breed dairy cows. After completing the initial feasibility study, they realized that the business plan called for the purchase of too many expensive calves of a breed that was not locally available. Based on the recommendations of the Coordinators, the cooperative changed its business plan to reduce the



initial purchase of calves, and decided to buy a locally available breed.

5. Provide business management training and implement cooperative project

ARDI conducted business management training courses for all of its cooperative projects. Few cooperative members have any business background or education in basic finance or accounting. The training course included a discussion of Iraq's transition from a centrally planned economy to a market-based economy, and the significance of the change to agriculture producers. Training also covered basic business, finance, and accounting principles, addressing specific business management skills, including developing a business plan, creating an income statement, managing cash flow, and strategic planning. At the conclusion of the training course, the cooperatives developed their own business plans, income statements, and cash flow statements.

When the members of a cooperative complete the training course to the satisfaction of the Coordinators, they are prepared to begin project implementation.

6. Monitoring and evaluation

ARDI staff continued to provide assistance to the cooperatives during project implementation. The ARDI Private Sector Development Coordinators visited the cooperatives at least once a month to monitor progress and ensure that each cooperative was operating according to its business plan. The Coordinators updated the cash flow and income statements based on actual results, and compared them to the original estimated statements to evaluate progress.

COOPERATIVES ASSISTED WITH GRANTS:

During the period May 2005 to September 30, 2006, ARDI assisted in the formation of 12 cooperatives, of which 10 were officially registered. The types of businesses included sheep raising, feedlots, beekeeping or honey production, and date processing, among other agricultural activities. Not all of these cooperatives were able to benefit from ARDI grants, as the end of ARDI's project funding grew near. However, the organizational groundwork was completed for the new cooperatives, and other donors or future USAID projects could very easily step in where ARDI left off, to provide continued technical assistance and matching grants. Below are examples of cooperatives that benefited from ARDI technical assistance and grants.

FEEDLOT COOPERATIVES

The ARDI Private Sector Development Coordinators identified two groups of farmers, one in Tameem and one in Ninewa, with an interest in increasing beef production. There is a growing consumer demand for beef in Iraq that presents an opportunity to farmers. However, most individual farmers rely on rangeland feeding of their animals, which can take years to reach optimal market weight. Also, the beef produced this way is inferior. Most farmers are limited in their capability to fatten cattle in feedlots due to the high cost of establishing

infrastructure such as barns and fenced areas, and the up-front expense of high-protein feeds. The two groups of farmers were interested in working together to invest in this infrastructure. They established cooperatives of 35 members each, to share the costs of feedlot construction (shelters and fencing). The ARDI coordinators provided assistance in establishing and registering the cooperatives, and trained the members to write a business plan and prepare cash flow statements.



Calves in the cooperative feedlot in Tameem

Each cooperative required that each of its members invest \$300 cash, plus their labor for construction of the barns and fences to house the cattle. Each of the cooperatives also includes a veterinarian among the members. ARDI grants provided each cooperative with 125 starter calves, high-protein fodder, and maintenance equipment such as sprayers. The cooperative will use the revenue from the first batch of fattened cattle to procure inputs for the next batch, including additional calves and high-protein feeds. Any profits are reinvested in the organization or distributed to the cooperative membership.

SHEEP RAISING COOPERATIVE

Sheep production is a lucrative economic activity in Iraq. Sheep herders gain income principally from the sale of meat, for which there is high consumer demand. However, most sheep holders adhere to traditional production methods, and rely having their animals graze on sparse rangeland. This is often due to the initial costs of improved feed, which can be prohibitive for many breeders. (For a more detailed discussion of improving nutrition for sheep, see section 2.5). A group of breeders working together, can however, overcome this initial barrier to entry. ARDI identified a group of 33 farmers interested in producing fattened lambs for market, as well as milk and milk products. ARDI Coordinators helped the group establish a cooperative, by offering assistance with organizational development and legal registration. As always, ARDI Coordinators trained the group in business administration and accounting practices.

Each member of the cooperative paid a subscription fee to cover some of the initial start-up costs, including infrastructure for sheep shelters and inputs including sheep, grain, and basic equipment. In addition, the group included three agricultural engineers and a veterinarian, who will participate in the project as well as provide training to all members and employees of the cooperative.

To help the cooperative get started, ARDI provided an in-kind grant of sheep, grain for feed, and basic equipment. This enables the cooperative to produce the first batch of lambs and gain additional income from the sale of milk, milk products, and wool. Income from animals and animal products will be reinvested in new inputs for the operation, and profits can be either reinvested for growth or distributed to members.

PRIVATE VETERINARY SERVICE PROVIDERS

In addition to cooperatives, ARDI focused attention on the development of Private Veterinary Services Providers (PSPs). While the Ministry of Agriculture does maintain veterinary clinics that provide a minimum of services (mainly vaccination campaigns) to small-scale animal breeders, the Ministry clinics are not equipped to provide them many additional services required by animal breeders to maintain the health of their herds and flocks. Additionally, most government-operated clinics are located in the larger towns, leaving the farmers in rural areas without easy access to veterinary services. ARDI, while working with the MOA on the rehabilitation of its veterinary clinics network, determined that there is room in Iraq for a parallel and private network of veterinary services to augment the work of the government. Importantly, there are thousands of unemployed veterinarians in Iraq, many of whom welcomed the opportunity to work out of their own private clinics.

ARDI planned and implemented a program to establish private veterinarian services in the rural areas underserved by government facilities. ARDI project coordinators first contacted the Veterinary Syndicate (VS) in each governorate. The VS is a professional organization, funded by membership dues and partially by the government, that supports the technical and social needs of its members. Every governorate in Iraq has a Veterinary Syndicate, and every veterinarian graduating from a certified veterinary school is required to be a member. In order to achieve efficiencies in costs and time, each project was planned to establish 10 PSPs in each governorate. Each new start-up business would be operated under a partnership of two or three professionals, providing employment and income to a minimum of 20 veterinarians in each governorate, and extending services to 10 rural areas.

The Veterinary Syndicate presidents helped ARDI to select willing and qualified professionals to set up small businesses to provide veterinary services. Selection was based not only on professional skills. Candidates were sorted by probable business acumen as well. The veterinarians who were selected were charged with locating and renting or purchasing suitable space to start their businesses. The VS and ARDI conducted feasibility studies on each group of 10 PSPs, taking into account the number of animals in each governorate and the estimated demand for services based on potential incidence of disease. ARDI private sector coordinators then assisted each new PSP to secure a business license, and trained the veterinarians in business and accounting principles. In addition, ARDI



“One of the PSPs told us that he was gasoline seller and he was shamed of this job because it was in the black market but now his dream became true and he is proud of his job.”

provided a grant in the form of medicines and other equipment considered most important for operation of a private sector clinic. ARDI administered these in-kind grants through the Veterinary Syndicates, which were responsible for ensuring that each private sector provider received the materials promised under the grant award.

ARDI supported the establishment of 40 private sector veterinary clinics, ten each in Ninewa, Tameem, Dahuk, and Salah al-Din governorates. These 40 clinics provided business ownership and employment to 100 formerly unemployed veterinarians. In the governorates of Tameem and Salah al-Din, clinics were established with two partners, and in Ninewa and Dahuk each clinic was operated under a partnership of three veterinarians. Following the establishment of these clinics, other Veterinary Syndicates in other governorates contacted ARDI about implementing a similar program. While we were not able to respond to those requests, due to project close-out, the project model has been established, and the Syndicates are likely to pursue other opportunities for assistance.

The initial results of the PSPs for veterinarian services were encouraging. Animal breeders were quick to seek the services of the PSP vets, not only for medicines and vaccines, but also for surgeries and diagnoses.

ASSOCIATION DEVELOPMENT

Associations are groups of producers or agribusinesses working together to improve a subsector of the agriculture economy. Associations can investigate, plan, and act for the benefit of all members, providing advantages that most individuals could not obtain on their own. An association represents members' interests to the government and other groups, enables the implementation of industrywide standards and regulations to strengthen the sector, and also can provide extension services to the membership, to help improve production or marketing practices. ARDI worked extensively to help establish and strengthen beekeeping/honey producer associations at both the regional and national levels. We also helped pesticide/agricultural input supply dealers to establish and strengthen a national association.

In August 2004, ARDI published in English and Arabic two manuals to support association development: Technical Manual – Forming and Strengthening Associations in Iraq; and Facilitator Manual – Forming and Strengthening Associations in Iraq. These manuals, based on DAI's work with associations in Egypt, focus on organizational development, forming effective committees, strategic thinking and planning, creating and implementing policy advocacy programs, and building effective communications programs. The manuals were later translated into the Kurdish language and published in December 2004.

The strategic thinking and planning module of the Facilitator Manual was modified to become a two-day workshop, piloted in June 2005 for the Mar Oda Farmers Association. A facilitator training course was then developed around this 2-day workshop in June and August 2005, so that NGO facilitators would have the capacity to replicate the workshop for other associations and NGOs. In July 2006, the ARDI Private Sector Coordinators prepared to conduct the Strategic Thinking and Planning Workshops for more advanced cooperatives.





Equipment such as this honey centrifuge can be shared among association members.

The expected outcomes of the 2-day Strategic Thinking and Planning Workshops were:

- An agreed-upon mission statement that answers questions such as, “What kind of organization is this?” “Why does it exist and whom does it serve?”
- Agreed-upon strategic objectives that determine future direction over the next 2 to 3 years.
- Agreed-upon organizational structure that is both feasible and desirable.
- Agreed-upon plans (action items) for what the association will do in the upcoming year, and who will be responsible.

Associations that think and plan strategically are better focused, have better member commitment and participation, and achieve better results than those that are more reactive in nature. Planning is important because it causes discussion, debate, and generates consensus among the association leaders about direction and priorities. Good planning requires consensus building, which is an integral part of an effective association. Associations should not be predominantly “top-down” structures. In reality, these organizations by their very nature are consensus organisms. If this consensus breaks down, it will have a negative impact on results.

BEEKEEPING AND HONEY PRODUCER ASSOCIATIONS

There are tens of thousands of apiaries in Iraq. Every governorate in the country has thousands of small-scale honey producers whose small amounts of honey are used for home consumption and sale in local markets. In some parts of the country (particularly in the cooler northern governorates) honey production is a significant part of total on-farm earnings. Early in project development, ARDI found that focusing efforts on honey production would be a means of improving the welfare of thousands of farmers across the country. Honey production in Iraq at one time competed well in regional and international markets, and producers were eager to reclaim their formerly strong position. ARDI staff and key leaders of this important subsector accordingly planned a schedule of activities to rehabilitate the industry. The plans called for the development of producers' organizations, improved technologies for production and marketing, effective controls against disease and pests, and assuring accessibility to best equipment and supplies in local markets. The goal of the project was to displace imported honey in local markets, followed by strategies to achieve economies of scale that will permit the export of Iraqi honey.

In February 2005, 15 delegates from the governorates of Baghdad, Basrah, Diyala, Kerbala, Najaf, Qadisiya, and Wassit met at an ARDI-sponsored workshop in Erbil. These delegates, who represented a total of 548 producers, discussed the beekeeping situation in their areas and identified concerns and areas of opportunity to improve beekeeping and honey production. The leaders agreed on three priorities for the future: the establishment of strong regional and national associations, setting standards for all packaged products and labels, and organizing a trade fair to promote beekeeping.



Honey producers display their products at the National Trading Fair

This meeting illustrated the importance of cooperation between honey producers to improve the subsector. ARDI set out to strengthen beekeeper/honey producer associations in Iraq on the regional and national levels, to give their voices weight in policy matters. Their purpose was also to set commercial standards for honey production, and to provide extension services and information to help beekeepers nationwide improve honey production and increase their income. ARDI provided resources to help establish governorate-level associations in Basrah, Dahuk, Erbil, Ninewa, and Tameem, by providing funds for meetings to form the associations, as well as a series of conferences, and workshops. The first priority of these new associations was to help honey producers improve their marketing practices and increase their sales. One focus was to help beekeepers introduce better packaging and labeling, to make their product more attractive to the domestic market and better able to compete with imported products.

ARDI also provided organizational development assistance to strengthen the new and existing associations. The ARDI Private Sector Development Coordinators delivered a two-day business management training course for members of honey production associations from 14 governorates (Baghdad, Babylon, Basrah, Dahuk, Diyala, Qadissiya, Erbil, Kerbala, Najaf, Ninewa, Anbar, Sulaymaniyah, Tameem, and Wassit). The participants, all of whom manage their association's administration and finance activities, learned basic skills to help them better manage funds and operate their associations more efficiently.

The beekeeper/honey producer associations are now working to provide a range of services to their members, including:

- Providing assistance to increase the quantity and quality of honey produced through improved technologies and practices, such as the correct use of

ARDI SUCCESS STORY: BEEKEEPING TRAINING CENTER FOR BEEKEEPING ASSOCIATION

In early 2005, ARDI established a beekeeping training center for the Kurdistan Bee Professionals Association (KBPA), to give them the means to improve beekeeping in the region. An ARDI grant provided funds for construction of the training center; and the inputs (concrete blocks, wood, cement, sand, gravel, mats, hives, boxes, tools, medication and other beekeeping equipment) necessary to begin conducting training courses. The new training center maintains 30 beehives to conduct training courses for local beekeepers, and the center is also used by the local university and agricultural college for research and development of new beekeeping methods. Since the center was established in 2005, the KBPA has completed over 20 training courses and demonstrations for beekeepers and students; they were attended by more than 1,000 people.

modern beehives, packaging materials, medicines, and pesticides;

- Promoting cooperation among beekeepers and providing forums to discuss problems and potential solutions;
- Representing the interests of their governorate's beekeepers before the national beekeeping association, government agencies, and international donors.

The successful launch of these associations can serve as a model for other producer groups (e.g., dates, poultry, fruit, and vegetables) throughout the country. With good leadership, which seems to come naturally to passionate beekeepers, ARDI supported significant improvements in the marketing and production of honey, and some of the associations are hoping to export honey towards the end of 2006.

Table 96 shows ARDI efforts to establish new beekeeping associations, and strengthen existing ones.

**TABLE 96 BEEKEEPERS ASSOCIATIONS
ESTABLISHED AND STRENGTHENED**

Newly Established Association		Existing Associations Strengthened	
Governorate	Members	Governorate	Members
Basrah	70	Diyala	230
Dohuk	200	Sulaymaniyah	2,535
Erbil	450	Iraq Beekeepers Association*	750
Ninewa	50		
Tameem	30		
Total	800		3,515

* This association has branches in Anbar, Baghdad, Babylon, Kerbala, Muthanna, Najaf, Thi-Qar, and Wasit.

PESTICIDE AND AGRICULTURAL INPUT SUPPLY DEALERS ASSOCIATION

Working with pesticide dealers was an important element of ARDI's efforts to improve integrated pest management (IPM) in Iraq. ARDI found that there was very little regulation of the pesticide industry, which resulted in large quantities of expired, counterfeit, and generally poor quality pesticides appearing in the market. (See Section 3.5 for a full discussion on ARDI work with Integrated Pest Management.)

In 2005, ARDI met with dealers throughout Iraq to gauge their interest in forming an association of pesticide dealers to improve the industry. At these workshops, the dealers revealed that they considered the lack of regulation of pesticides in Iraq to be a major problem, as the abundance of expired and fraudulent pesticides in the market made it difficult to operate a business selling good quality pesticides. The dealers agreed that a pesticide dealers association which would include an element of self-regulation would be an appropriate means to alleviate some of the problems that they face in providing high-quality products and sound advice to farmers.

From May 2005 to January 2006, ARDI held several workshops to facilitate the establishment of a pesticide dealers association. These workshops, which were attended by a total of 217 dealers from all parts of Iraq, were led by

representatives of an agrichemical association in Egypt, Crop Life Egypt. They discussed the structure and activities of the association and their relationship with the Ministry of Agriculture in that country. The workshops also served to determine the dealers' training needs. On January 26 – 27, 2006, 53 dealers from 15 governorates reached consensus on the basic structure for the association and elected committees to handle registration, management, and finance. Formal registration of the Iraq Association for Agriculture Development and Promotion was official on May 24, 2006.

One of the main objectives of the association is to agree on self-regulatory guidelines within the pesticide industry, to ensure that all dealers in Iraq are qualified and follow the necessary laws and regulations, so that only appropriate high-quality products are on the market. The association assigns high priority to the protection of the environment and human health, and to assuring consumer satisfaction. The association also plans to work with the GOI to introduce appropriate pesticide legislation on the national level.

In addition, the association will provide technical assistance to its membership. In a survey of pesticide dealers in 2005, ARDI found that they were looking for increased access to training in pesticide use, in order to provide better service to their customers. Association leadership is familiar with ARDI training templates and methods, and is equipped to continue providing technical training to an expanding membership.

NGO DEVELOPMENT

NGOs can play an important role in agricultural development. These organizations, in many countries around the world, work in partnership with government and donor organizations to provide complementary skills and management capability. They are very often able to contact, in a nonpolitical and nonsectarian way, groups of farmers who are outside the reach of government, or on projects that the government is not equipped to address. These organizations can also monitor government and private activities to ensure that services are delivered fairly and that policies do not do adversely affect people or the environment. In both developed and developing countries, NGOs perform services that are unique.

When ARDI arrived to Iraq in October 2003, there was a handful of small newly-established NGOs. Over time, in part through ARDI's help and the assistance provided by other USAID projects and donor organizations, the nascent NGO community developed and expanded into a dynamic actor in national development.

A number of these new nongovernmental organizations work specifically with agriculture development, and focus on small to mid-sized farmers to increase production, income, and standard of living. These NGOs often fill gaps in government extension work, especially in rural areas where there are few government resources for extension services. These organizations have proven to be valuable partners in implementing development projects. They are able to travel freely throughout most parts of the country, they are quick to gain the trust of beneficiaries, and they help to assure Iraqi "ownership" of community-based projects. Seeing these groups as valuable partners, especially as time went

ARDI SUCCESS STORY: NATIONAL TRADE FAIR FOR HONEY PRODUCERS

In 2005, ARDI sponsored a national trade fair, hosted by professional beekeeper associations in Basrah, Dahuk, Diyala, Erbil, Ninewa, Sulaymaniyah, and Tameem, in addition to the Iraq Beekeepers Association. Fifty-two beekeepers and honey producers from 14 governorates attended the fair, which showcased the country's beekeeping industry and promoted Iraqi honey production and sales. Beekeepers exhibited their honey and honey products (medicinal products, food, and beekeeping equipment). One of the carpenters trained by ARDI displayed the modern beehives and other equipment he had built. The fair also gave beekeepers an opportunity to share information and experiences through two seminars on marketing and common problems beekeepers face in producing and selling honey.



NGO members at a facilitation skills training workshop

on and working conditions on the ground became more difficult, ARDI formulated a program to work closely with NGOs to strengthen their capacity for project implementation. We also assisted them to become self-sustainable engines for development, with the ability to develop, fund, and implement projects independently.

INCREASING CAPACITY FOR PROJECT IMPLEMENTATION

ARDI worked closely with NGOs to implement development projects, and provided guidance which increased their capacity, especially in terms of project monitoring and reporting. This was particularly important, since the NGOs were able to reach and work directly with large numbers of farmers where ARDI staff were prohibited from travel for security reasons. We partnered with a total 40 Iraqi NGOs to implement nearly 90 grants and subcontracts, including cleaning canals, training mechanics on agricultural machinery repair, community beekeeping, and a range of other projects. A smaller number of these organizations proved to be especially capable, and they increased their capacity and outreach significantly while working in partnership on ARDI projects.

In addition, ARDI offered formal assistance to develop the capacity of NGOs to implement projects. We held two workshops to train staff of NGOs that work with farmers in Muthanna, Basrah, Kerbala, and Qadissiya on grant management and implementation. The courses included training in how to recognize grant opportunities, write grant proposals, organize labor, handle payments, and maintain records and reports. The courses emphasized the importance of developing and implementing self-sustaining projects to avoid reliance on international or other donors. A series of shorter sessions was held with NGOs to provide guidance on budget and management rules associated with US government grants and contracts, as well as training in budget and financial management to assure full compliance with statutory requirements.



IMPROVING INTERNAL ORGANIZATIONAL CAPACITY OF NGOS

In addition to building specific capacity for project management and implementation, ARDI provided assistance to NGOs to build their internal organizational capacity. This included workshops on strategic planning, which helps an organization define its priorities to use its resources in a focused manner that achieved its goals. A strategic plan is a written statement of short and long-term goals that are agreed upon by the organization's members, and the tasks that must be completed to achieve them.

Facilitation is another skill that is important for organizational development, as facilitation enables participatory decision making that helps groups reach agreement and solve problems by consensus. Decisions reached through a participatory process lead to a more efficient and effective organization. Much of the Iraqi workforce is unfamiliar with this type participatory decision making, due to decades of top-down management under the former regime.

ARDI created a training course in facilitation and a manual entitled *Technical Manual: Forming and Strengthening Associations in Iraq*, which contains exercises to foster facilitation skills. The training course was presented as a series of two workshops. During the first workshop, the participants learned the four basic skills of facilitation: 1) asking questions; 2) paraphrasing; 3) summarizing; and 4) encouraging, and applied them in practice discussion sessions. During the second workshop, participants learned how to use tools such as a flip charts to facilitate discussions and build consensus. In small groups, the participants chose a topic for discussion, designed flip charts and facilitated a discussion with the larger group. The participants also learned how a facilitator should interact with a client, including how to identify a client's needs and plan an agenda. This two-part workshop format was repeated three times to include NGO leadership from all parts of the country.

Participants at an NGO leadership skills development workshop.

NGO LEADERS WORKSHOPS AND NGO NETWORK

In addition to working with individual NGOs to develop capacity, ARDI encouraged them to coordinate their efforts to assist in developing Iraq's agriculture sector. In September 2005, We held the first NGO Leader's Workshop to bring together representatives from ten NGOs working in the governorates of Basrah, Muthanna, Ninewa, Tameem, Sulaymaniyah, Erbil, and Dahuk. During that workshop, ARDI representatives introduced concepts of leadership and management, with emphasis on the leadership role of NGOs and NGO leaders. This role includes bringing stakeholders together to develop a shared vision for agriculture development and "collective strategies" for achieving this shared vision. Also taught was the importance of building alliances and coalitions and bringing these coalitions behind the shared vision and collective strategies. ARDI provided an overview of our activities in the agriculture sector, as well as an outline of priorities for the coming year. The NGO representatives shared their organizations' areas of focus in the agricultural sector, and worked in small groups to discuss strategies for broad-based action in the agricultural sector, through collaborative work with government agencies, private entrepreneurs, farmers' organizations, and the international community.

At the conclusion of this first workshop, the participants agreed that it would be beneficial to build strong relationships between their groups to share technical experience, and discuss collaboration. To this end, the group proposed the creation of a coalition of NGOs working in the agricultural sector.

In late December 2005, a second NGO Leaders Workshop was held to bring together the original NGOs and nine additional ones that work in the agriculture sector. The workshop built on the leadership themes of the first workshop, especially in bringing about major change. The NGO leaders established the NGO Leaders Network, and worked toward the development of a vision and mission statement.

In addition to the creation of the NGO Leaders Network, the participants discussed the need to work together to build a stronger relationship with the Government. The lack of sufficient communication with the Government was identified as the major constraint to accomplishing the mission of the NGO Network. To address that, the NGO leaders planned to invite MOA officials to a seminar to demonstrate the value that the NGOs bring to developing agriculture in Iraq, and to clarify the role that private sector organizations should play in informing the government decision-making processes.

SENIOR POLICY ROUNDTABLE



Participants at the Senior Policy Roundtable.

The transition from central government control to a market-based economy demands certain changes in both government policy, and the private sector stance in regard to the government. ARDI provided assistance to all actors to facilitate this transition in the agriculture sector; one of the most important in terms of income generation and employment. As part of this effort, ARDI sponsored a Senior Policy Roundtable workshop in February 2006 to bring together representatives from the Ministry of Agriculture and the private sector, including nongovernmental organizations that work in the agriculture sector, farmer associations, and farm owners to discuss the transition to a market economy, and agricultural policy development in Iraq. A total of 39 participants from eleven governorates (Baghdad, Basrah, Wassit, Qadissiya, Ninewa, Tameem, Najaf, Diyala, Erbil, Sulaymaniyah, and Dahuk) attended the event.

The workshop, which was facilitated by ARDI training staff, included a

presentation of economic concepts that are essential for participating in, and creating, policy for a market-based economy. These concepts include supply and demand, price determination and discovery, developing market orientation, and the consequences of alternative agricultural policies affecting production, consumption, and trade, and their impacts on producers, consumers, and taxpayers.

Workshop facilitators encouraged discussion about agriculture in Iraq and comparisons to other market-based economies, including the United States, the European Union, Egypt, and Brazil. The importance of understanding all policy consequences, costs, benefits, and implications before the policies are implemented was emphasized. ARDI staff illustrated this point using the example of farm payments, which can raise land values and farm rental rates, and lead to higher costs and long-term competitive decline.

The example of agriculture credit in Brazil was also presented, with an emphasis on strengths, weaknesses, opportunities, and possible implications of similar policies for agriculture in Iraq. In discussion groups, the workshop participants raised pressing concerns about lack of production inputs, including capital and credit, fertilizer, high-quality planting seed, fuel, new technology, and ability to market crops and livestock nationally and internationally. The participants agreed on the necessity for new policies that will clear obstacles to increased production and profitability, and create employment.

The workshop was successful in clarifying the role of the Government in making policy in the agriculture sector. At the beginning, many of the participants believed the Ministry of Agriculture to be both creator and implementer of agricultural policy. By the end of the workshop, they understood that it is the role of the elected legislature to make policy, and the role of the Ministry to implement it. The participants then recognized the need for a broader discussion of agricultural policy with elected officials, the Ministry of Agriculture, and the private sector.

FARM AND FINANCIAL MANAGEMENT



In a market-led economy, the role of the MOA shifts from direct intervention in commercial activities to providing an institutional framework and environment in which the private sector will prosper. Farmers also have an enhanced role in the market-led economy, as free agents whose business decisions are primarily driven by economic factors. The MOA, therefore, has an essential function in economic analysis, policy formulation, and provision of basic farm management. MOA must also give technical advice to farmers, so that they can make good business decisions regarding the choice for levels of inputs, cropping patterns, marketing and storage options, livestock feeding rations, and a host of other factors.

In order to strengthen the economic analysis and policy formulation functions of the MOA, and upgrade the management skills of the farmers in order to provide them with a better opportunity to run financially successful farms, ARDI implemented a series of short courses in Farm and Financial Management. The

Several of the NGOs who attended this training utilized the materials to provide additional training to farmers and their local areas.

objective of the courses was to teach MOA crop demonstration field staff, and members of NGOs working in agricultural development, the concepts for operating a farm according to a business model, and to prepare them to work directly with farmers to impart these concepts.

The training courses, which were developed and delivered by an ARDI agricultural economist, taught methods to assess the economic returns of alternative crops compared to existing production cycles, as well as the following topics:

- Basic record keeping;
- Developing and using budgets and break-even analysis;
- Whole farm planning and strategic planning;
- Using balance sheets and income statements;
- Farm performance and financial ratio analysis;
- Investment analysis; and
- Computer applications in investment analysis.

Participants included governorate Ministry of Agriculture officials and members of private sector agricultural development organizations. A total of four courses was delivered, attended by 140 participants from 15 governorates.

The course was extremely popular, and many of the NGOs expressed interest in replicating it for additional staff members. ARDI gave interested NGOs the Basic Farm Management workshop materials to use in repeating the course, and also provided assistance to the NGOs to help them train additional staff to run these workshops for farmers. We held a "training of trainers" (ToT) workshop for five NGOs in order to provide a refresher on the Basic Farm Management course material, and to provide assistance with the workshop logistics. A total of 14 members from these NGOs who had attended the original ARDI workshop participated in the ToT course. ARDI staff reviewed the Basic Farm Management course material, and the participants discussed the importance of using examples and case studies from the Iraqi environment to enable their audience to relate better to the material. The NGOs will collect real information for case studies from Iraqi farmers, to use as examples during their workshops. The second part of the course concentrated on planning and coordinating the Basic Farm management workshops. The participants discussed different methods for farmer outreach, to include delivering the course to the farmers in their own villages, in a familiar environment, and the use of appropriate visual aids to illustrate concepts.