



RECONSTRUCTION WEEKLY UPDATE

January 27, 2006



A calf born to a buffalo that received improved nutrition during pregnancy is weighed. These calves are, on average, heavier than calves born to other area buffalo. A program led by ARDI to improve reproduction in buffalo through improved nutrition reaches over 1,000 livestock throughout south and south-central Iraq.

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USAID assists Iraqis in reconstructing their country by working with Iraq’s Interim Government. Programs are implemented in coordination with the United Nations, country partners, nongovernmental organizations, and private sector partners.

This report highlights USAID’s overall accomplishments and recent reconstruction efforts in Iraq. For more information, please visit www.usaid.gov/iraq.

KEY ACCOMPLISHMENTS TO DATE

- Assisted the Government of Iraq to develop and submit the first filing in the WTO accession process - the Memorandum of Foreign Trade Regime.
- Provided technical assistance and information on contracting opportunities for Iraqi businesses and entrepreneurs through business centers.
- Worked with the Ministry of Finance to introduce the new Iraqi dinar.
- Created more than 77,000 public works jobs through the National Employment Program.
- Provided technical assistance and capacity building to three private sector banks to develop their own lending programs.
- Trained over 700 Iraqis in International Accounting Practices.
- Assisted in management of \$21 million micro-credit program. Provided over 40,000 hours of microfinance training in 2004-2005.
- Improved statistical analysis, monetary policymaking, and bank supervision procedures at Iraq's Central Bank; offered a two-week banking course to Central Bank staff with the Federal Reserve Bank of New York.
- Evaluated and updated commercial laws on private sector and foreign investment.
- Assisted in developing the 5 percent reconstruction levy on imports; built capacity of customs officials to implement levy.
- Developed a government-wide IT strategy to automate planning, budgeting and reporting processes across ministries.

USAID works with Iraqi institutions to establish an environment for sustainable economic growth. Assistance empowers policy makers to formulate and execute decisions based on economic data, and to implement modern best practices in economic governance. USAID projects provide a framework for private sector trade, commerce, and investment throughout Iraq.

HIGHLIGHTS THIS WEEK

Publication of Iraq's leading academic journal on accounting has been revived thanks to assistance from USAID's Izdihar project. The *Journal of the College of Administration and Economy*, produced by a major Iraqi university, is distributed to accountants and auditors in Iraq and throughout the Middle East. The Journal covers topics essential to the working of a market economy, including accounting theories, statistical analyses of financial issues, and research on management and decision-making. The USAID's Izdihar project funded the printing of the Journal, which had not been published since 2003. USAID programs have worked with Iraqi banks, businesses, and professionals to improve vital accounting standards and help reconnect Iraq to global markets. Improvement in accounting standards is also a requirement for accession into the World Trade Organization (WTO).

The Izdihar program recently helped host a day-long exhibition for Iraqi women entrepreneurs. Sponsored in coordination with the Iraqi Women's Business Association, the exhibition highlighted a three-day training program to help women entrepreneurs from throughout Iraq export their products.

"I am very appreciative of what [USAID's private sector development program] has done for Iraqi women," said PhD. Azhar al-Sheikh, Minister of State for Women's Affairs. "I urge Iraqi women to engage in economic investments. It is important that women have the opportunity to build Iraq."

"The exhibition of women's products demonstrates the creativity and value that Iraqi women can bring to the marketplace," noted a member of the Iraqi Business Women's Association. "Women are the heart of Iraq."

More than 30 women entrepreneurs from 15 Iraqi provinces participated in the first two days of training, learning about the necessary steps to prepare and market products for the international market.

Iraqi government implements the Financial Management Information System (IFMIS). The government of Iraq (GOI) notified USAID this week that two ministries — the Ministry of Religious Affairs and the Ministry of Water Resources — are actively using the IFMIS. In addition, 52 sites are fully installed covering 85 percent of Iraq's budget, and another 60 sites are partially installed, which will increase budget coverage to around 95 percent; the GOI must activate a total of 182 sites with the IFMIS to cover 100 percent of the budget.

USAID's Economic Governance II contract has been working for over a year with the Ministry of Finance and the rest of Iraq's spending departments to adopt, install, and train staff for the IFMIS. The IFMIS represents a key component to Iraq's development of an IMF-compliant, transparent and accountable government budget process.

KEY ACCOMPLISHMENTS TO DATE

High Value Crops

Improved Date Palm Output:

Established date palm nurseries in 13 governorates that will expand Iraqi palm tree population by 410,000 new trees per year.

Enhanced Farmer Output: Provided parts to repair more than 6,300 tractors for Iraqi farmers through agreements with U.S. farm machinery distributors in Iraq.

Provided Farm Machinery Training & Tools: Trained 28 mechanics in farm machinery repair and supplied tools to help establish private repair businesses.

Increased Olive Tree Population: 18,000 olive trees have been planted in 30 demonstration plots throughout the country.

Rehabilitated Veterinary Clinics: 42 veterinary clinics have been rehabilitated, serving more than 93,000 animal breeders.

Crop Production

Seed Improvement: Distributed 169 wheat seed cleaners to nine NGOs in 18 governorates.

Increased Training: 175 operators trained in wheat seed cleaning and treating.

Soil & Water Management

Strategy Development: Initiated nine-ministry effort to develop the Iraq water and land use strategy.

Grant Provision - Irrigation: Provided small-scale grants that increased canal and water infrastructure improvements on 130,022 hectares of land serving 445,000 Iraqis.

USAID's goals are to work in conjunction with Iraqi ministries, the private sector, and higher education institutions to revitalize agricultural production, stimulate income and employment generation, nurture rural development initiatives, and rehabilitate the natural resource base.

HIGHLIGHTS THIS WEEK

Buffalo nutrition improvement program expands in Muthanna and Thi-Qar. The Agricultural Reconstruction and Development in Iraq (ARDI) program is reaching out to include 400 additional buffalo in Muthanna and Thi-Qar governorates, incorporating them into a project to improve buffalo reproduction through nutrition. The program, which began in June 2005, targets buffalo in the southern region of Iraq where livestock breeding is an important economic activity and breeders depend on the production of calves and milk as a source of food and income. Many buffalo in this region suffer from poor nutrition, which can cause low birth rates and sickly livestock, harming local livelihoods. The program has already begun to show positive results in other provinces.



Extension workers from eight governorates received training in installation and operation of the Family Drip Kit irrigation systems.

Family Drip Kit system training program has been successfully completed. Last year, ARDI initiated a program to encourage small-scale cultivation of high cash value crops in eight southern governorates of Iraq through the use of Family Drip Kit irrigation systems. These irrigation systems are ideal for rural conditions and small-scale agricultural production, as they are designed to work at very low pressure through gravity without the expense of electricity or pumps. These systems will enable each family to irrigate nearly 500 square meters of land planted with high value crops, which are a source of food and income.

Now, 58 Ministry of Agriculture (MoA) extension workers are prepared to distribute the Family Drip Kit systems to 240 poor farmers, and provide them with basic training in installation and operation of the systems. The teams will visit select farmers regularly to monitor use of the systems and solve any operational problems. The teams will also advise the farmers on best practices for planting and irrigating high value crops using the systems. These systems will last about five years, a potential value to each farmer of \$200 per year.

The Iraq Pesticide Dealers and Agricultural Inputs Association was formally established last week through ARDI support. Three or four pesticide dealers from each governorate, a total of 55, were selected by other dealers in the governorate to represent their interests at the meeting. The Association, the result of months of coordination between ARDI and private sector pesticide dealers, must now be legally registered with the government of Iraq.

The Association will help pesticide dealers work together to improve the pesticide industry in Iraq. There is currently little effective government control of pesticide sale and use, resulting in an unregulated industry in which fraudulent and expired pesticides are often sold to farmers, and farmers often use pesticides inappropriately.

KEY ACCOMPLISHMENTS TO DATE

- Awarded 4,847 small grants totaling \$324 million for quick impact activities that support good governance, civil society, conflict management and mitigation, human rights and transitional justice.
- Funded 147 grants totaling over \$5.5 million that focus on women's issues, including supporting the rehabilitation of 46 women's centers in Iraq. Rehabilitated over 264 Iraqi national ministries, schools, clinics and other municipal buildings. Supporting 65 Iraqi groups in documenting human rights abuses of the Ba'athist regime and promoting peace, tolerance, and reconciliation.
- Met critical needs during and immediately after the conflict by providing short-term employment, restoring basic government and community services, increasing Iraqi access to information and communication and encouraging protection of human rights.

USAID's Office of Transition Initiatives (OTI) supports the transition to a participatory, stable, and democratic country. OTI provides quick-dispensing, high-impact grants meeting critical needs—providing short-term employment, restoring basic government and community services, increasing access to information and communication, and encouraging protection of human rights.

HIGHLIGHTS THIS WEEK

A local organization in northern Iraq supports balanced political information. The recently established non-governmental organization (NGO) seeks to educate the public about Iraq's ongoing political transition without advocating particular political views. An Iraq Transition Initiative (ITI) grant supplying basic office equipment has enabled the NGO to create a sustainable operation, disseminating information regarding the democratic process and how Iraq's political transition will impact average Iraqis.

The NGO has already organized a variety of seminars and community dialogs to raise awareness of the recent elections and campaigned against electoral corruption. As the workers are volunteers, the small grant has gone a long way to help the NGO build upon its initial activities to advocate for a free, fair and transparent electoral process in Iraq.

Two primary schools for girls and boys have received essential supplies through an ITI grant. Faced with a lack of supplies before the opening of the school year, local authorities faced a strain in supporting both the school and essential public services. In an effort to assist the municipality and help reinforce its legitimacy, the ITI grant provided desks and chairs, blackboards, heaters, water coolers, computer and printing equipment, and sports supplies and uniforms.

Over 500 students and staff from the girls' school and 700 students and staff from the boys' school have benefited from the dedicated grants. As a result of this project, thousands of residents living in the city have the opportunity to develop trust in the local government's ability to respond to public service needs.

A pilot project supported by ITI brings together locally elected officials and constituents – developing projects to benefit the community. During a public town hall meeting, community members discussed and debated their needs and project details with members of the provincial and district councils and municipal engineers. The community identified program they felt would best assist the community, including small-scale, labor intensive neighborhood rehabilitation activities such as cleaning the neighborhood, filling in holes in the road, and small sanitation projects.

In support of this responsive, collaborative effort, ITI supported requests from the elected officials to help clean the community and install large trash cans and bins. Over 80 individuals were employed over the two months of the community project; however, the entire community of approximately 30,000 inhabitants has experienced a dramatic improvement in sanitation. It was in this community that the sewage system broke down and ponds of sewage formed, causing people to evacuate their homes. This collaborative effort gave both the community and its elected officials confidence in tackling problems that affect them beyond the areas of sanitation.

MAJOR ACCOMPLISHMENTS TO DATE

- Rehabilitated 105 water treatment units and 396 kilometers of water networks to ensure the provision of potable water in critical areas.
- Rehabilitated 72 health facilities and re-equipped 238 to improve the quality of health care.
- Vaccinated over 3,000 women and children against measles.
- Registered internally displaced persons and provided them with water, blankets, medical kits, and hygiene kits.
- Rehabilitated a water treatment plant in a poor area of Baghdad. The rehab is benefiting 1 million residents.

In the first year, USAID's humanitarian assistance focused on emergency interventions to prevent food and water shortages and provide adequate shelter and medical supplies throughout Iraq. USAID is now directing humanitarian assistance efforts through the Office of Foreign Disaster Assistance (OFDA) to specifically target Iraq's internally displaced persons (IDPs).

HIGHLIGHTS THIS WEEK

OFDA expands humanitarian assistance in south-central Iraq, reaching nearly 200,000 Iraqis in 2005. OFDA continues to prioritize humanitarian assistance for IDPs throughout Iraq, including delivering essential medicines to healthcare facilities, providing emergency health services, and rehabilitating water treatment and sewage plants, clinics, hospitals, and schools. During 2005, OFDA partners in south-central Iraq alone have reached 189,069 direct beneficiaries, 64,427 (34 percent) of whom were IDPs. Specific projects and successes include:

- **Public Infrastructure Cash for Work**

- *Over 400,000 days of work generated for Iraqis.*
- *100 infrastructure improvement projects benefit 42,000 Iraqis.*

To date, 13 public infrastructure projects under this objective have been implemented in south-central Iraq, generating 49,180 employment days through cash for work alone, putting to work 1,338 IDPs, returnees, and especially vulnerable individuals (EVIs). So far, more than three times the target number of beneficiaries (target: 42,000, actual: 130,717) have profited from enhanced public infrastructure in their towns and villages.

- **Water and Sanitation**

- *38,040 Iraqis benefit from improved water and sanitation facilities.*

IDPs, returnees, and host community members have directly benefited from improved access to potable water as well as improvements in sanitation facilities. In addition, OFDA partners have launched a hygiene awareness program to add to the sustainability of all water-sanitation interventions.

- **Shelter Cash for Work**

- *12,000 vulnerable IDPs and returnees benefit from improved shelter.*

OFDA partners have provided 630 IDPs and returnees with sufficient materials to construct simple but solid brick houses. Thus far, 1,620 vulnerable families (female-headed households, widows, and elderly) have been assisted in the construction of these houses by 430 IDPs and returnees from the community who were employed on a cash-for-work basis. Meanwhile, the shelter construction at Malik Shah is nearing completion. The completion of an additional 31 shelters is expected to be finished in November.

- **Livelihood Assets Distribution**

- *24,400 vulnerable Iraqis received essential non-food items.*
- *6,060 returnees received seeds and tools to re-start vegetable farming.*

To date, approximately 81 percent of all targeted beneficiaries for the distribution seeds, tools, and other essential household items have been reached. As a result, 300 beneficiaries are resuming agricultural production.

COMPLETED PROGRAMS

January 27, 2006

Since the cessation of the 2003 conflict, USAID has completed its planned work at Umm Qasr Seaport, re-stored significant portions of Iraq's telecommunications network, rebuilt three major bridges and restored the rail line connecting Umm Qasr with Basra city and points north. USAID also helped avert a humanitarian crisis during the conflict by providing assistance to the United Nations World Food Program. USAID advisors continue to assist with management and distribution of food rations to Iraqi citizens.

INFRASTRUCTURE

- The \$45 million program to rehabilitate and improve management at Umm Qasr seaport was completed in June 2004.
- Port reopened to commercial traffic on June 17, 2003; completed first passenger vessel test July 16, 2003.
- Up to 50 ships offload at the port every month.
- Completed dredging to open all 21 berths to deep-sea ships.
- Applied port tariffs on June 20, 2003.
- Renovated the grain-receiving facility to process 600 MT of grain an hour.
- Renovated the administration building, passenger terminal, customs hall, and electrical substations.
- Rebuilt three major bridges—Khazir, Tikrit and Al Mat bridges—critical to moving people and commercial products throughout the country.
- Rebuilt a substantial portion of the Iraqi Republican Railway line connecting Basrah with the port of Umm Qasr including physical track construction, installing culverts, and repairing gatehouses. The remainder of the work has been handed over to the Ministry of Transportation (MOT). This work allows shipments of bulk cargo from the port to Baghdad and throughout the country.

TELECOMMUNICATIONS

- Audited more than 1,200 km of the fiber optic backbone network and performed emergency repairs, reconnecting 20 cities and 70 percent of the population.
- Reconstituted Baghdad area phone service by installing switches with 240,000 lines at 12 sites.
- Installed and fully integrated 13 new switches with 14 existing switches.
- Worked with the Ministry of Communications to reactivate more than 215,000 subscriber lines.
- Installed a satellite gateway system at Baghdad's largest telecom exchange and restored international service.
- Trained telecom engineers and technicians in the operation and maintenance of the satellite gateway system and the new switches.

FOOD SECURITY

- Worked directly with the World Food Program (WFP) and Coalition Forces to re-establish the Public Distribution System (PDS) in less than 30 days, avoiding a humanitarian food crisis and providing food security throughout the country.
- With Iraqi food distributors, Food for Peace, the WFP, and Coalition Forces maintained deliveries from June through December 2003 in all 18 governorates.
- Played a key role in an agreement between the WFP, CPA, and the MoT that provided the WFP with the resources and authority to continue to support the PDS through June 2004.
- Completed a rapid food security field assessment from 17 impoverished districts in May 2005 and presented assessment findings in the USAID food security forum in August 2005. Forum participants reviewed data to better understand food security in Iraq and recommended actions to reduce risk among Iraq's vulnerable populations.

EDUCATION

- Through the Higher Education and Development (HEAD) program five American and 10 Iraqi universities partnered to aid the reestablishment of academic excellence in Iraq's higher education system. More than 1,500 Iraqi faculty and students have participated in workshops, trainings, conferences, and courses all over the world since January 2004. Also, the HEAD program rehabilitated university facilities throughout the country and provided books and electronic resources to university libraries.

PROGRAM FINANCIAL SUMMARY

January 27, 2006

FY 2003-2006*			
Implementing Partner	Sector	Regions	Obligation
Reconstruction USAID/ANE			Subtotal: \$4,010,978,993
Abt Associates	Health	Countrywide	\$23,031,886
AFCAP	Logistics	Countrywide	\$91,500,000
America's Development Foundation	Civil Society	Countrywide	\$42,880,157
Army Corps of Eng.	Architecture and Engineering Services	Countrywide	\$38,086,393
BearingPoint	Economic Governance	Countrywide	\$79,583,885
BearingPoint	Economic Governance II	Countrywide	\$103,500,000
Bechtel	Airports, buildings, power, railroads, roads, bridges, port, water and sanitation	Countrywide	\$1,029,833,259
Bechtel	Infrastructure II: Airports, buildings, emergency communications, power, railroads, roads and bridges, Umm Qasr seaport, water and sanitation, Basra Hospital	Countrywide	\$1,329,911,678
CAII	Education	Countrywide	\$56,503,000
CAII	Education II	Countrywide	\$51,809,000
CEPPS I	Iraq Governing Council	Countrywide	\$675,000
CEPPS II	Domestic Observation/Vote	Countrywide	\$68,595,000
CEPPS III	Voter Education	Countrywide	\$45,310,000
CEPPS IV	Elections Administration Support	Countrywide	\$41,000,000
Community Action Program	Development in impoverished communities	Countrywide	\$258,820,000
DAI	Marshlands	South	\$4,000,000
DAI	Agriculture	Countrywide	\$101,352,912
Futures Group	Health	Countrywide	\$30,000
Logenix	Health	North/Central	\$108,506
Louis Berger	Vocational Education	Countrywide	\$30,016,115
Louis Berger	Private Sector Development II	Countrywide	\$95,000,000
MACRO Int'l.	Health	Countrywide	\$2,000,000
Partnership for Child Healthcare	Health	Countrywide	\$2,000,000

PROGRAM FINANCIAL SUMMARY

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FY 2003-2006			
Implementing Partner	Sector	Regions	Obligation
RTI	Local Governance	Countrywide	\$241,910,757
RTI	Local Governance II	Countrywide	\$85,000,000
RTI	Health Training	Countrywide	\$22,015,750
SkyLink	Airport Management	Bag., Bas., Mos.	\$27,200,000
SSA	Port Management	Umm Qasr	\$14,318,985
UNDP	Trust Fund Contribution	Countrywide	\$5,000,000
UNESCO	Textbook Printing & Distribution: Math & Science	Countrywide	\$10,000,000
UNICEF	Health, Water and Sanitation	Countrywide	\$36,700,000
UNICEF	Education	Countrywide	\$19,600,000
University Partners	<ul style="list-style-type: none"> The Research Foundation of the State University of New York/Stony Brook and the Universities of Chicago, Boston and Oxford The Human Rights Institute, DePaul University College of Law and Italy's International Institute of Higher Studies in Criminal Sciences University of Hawaii, the International Center for Agricultural Research in Dry Areas, University of Jordan and the American University in Beirut Jackson State University, Tougaloo College, Alcorn State University, Mississippi Valley State University, University of Mississippi Medical Center, Benetech, US-Iraq Business Resources University of Oklahoma, Oklahoma State University, Cameron University and Langston University 	Countrywide	\$20,730,000
VEGA	Business Skills Training	Countrywide	\$12,089,702
VFH	Elections Support	Countrywide	\$1,000,000
WHO	Strengthen Health System	Countrywide	\$10,000,000
WHO	Health	Countrywide	\$4,808,858
World Bank	Trust Fund Contribution	Countrywide	\$5,000,000
Yankee Group	Telecoms Planning	Countrywide	\$58,150
Emergency Relief USAID/DCHA/OFDA.....			Subtotal: \$182,794,981
ACTED	Water and sanitation, health/hygiene, education	Eastern Iraq	\$2,995,793
Administrative	Administrative Costs	Countrywide	\$8,991,845
AirServ	Logistics	Countrywide	\$5,309,876
ARC	Capacity Building	Central and Southern Iraq	\$537,746
CARE	IDP Assistance, Quick-impact Projects, Water and Sanitation, Health, Emergency Relief Commodities	Countrywide	\$9,043,148
The Cuny Center	Research Studies	Countrywide	\$40,260
GOAL	Coordination, Nutrition	Al Muthanna' and Dhi Qar	\$1,507,900
InterAction	Coordination	Countrywide	\$92,860
IDA	Health	Countrywide	\$1,318,437

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FY 2003-2006			
Implementing Partner	Sector	Regions	Obligation
IMC	Health, IDP Assistance, Food Security, Nutrition, Water and Sanitation, Capacity Building	Countrywide	\$35,332,887
IOM	IDP Assistance	Central and Southern Iraq	\$18,892,470
IRC	IDP Assistance, Health, Water and Sanitation	Countrywide	\$8,000,411
IRD	IDP Assistance, Health, Water and Sanitation, Livelihoods, Emergency Relief Commodities	Northern and Central Iraq	\$17,076,190
Logistics	Emergency Relief Commodities and USAID/DART Support	Countrywide	\$22,771,653
Mercy Corps	IDP Assistance, Health, Emergency Relief Commodities, Shelter, Water and Sanitation	Countrywide	\$25,251,114
SCF/US	Food Security, Health, IDP Assistance, Shelter, Nutrition, Emergency Relief Commodities, Water and Sanitation	Countrywide	\$8,638,652
UNICEF	Health, Nutrition, Water and Sanitation	Countrywide	\$4,000,000
OCHA	Coordination and Information	Countrywide	\$1,200,000
USAID/Jordan	Support for Emergency Water Activities	Countrywide	\$500,000
WFP	Food Security, Logistics	Countrywide	\$5,000,000
World Vision	Health, Logistics, Emergency Relief , Water and Sanitation	Countrywide	\$6,793,739
USAID/DCHA/FFP.....			Subtotal: \$425,571,000
WFP	Operations	Countrywide	\$45,000,000
WFP	Emerson Trust—81,500 MT	Countrywide	\$40,337,000
WFP	P.L. 48– Title II emergency food commodities—163,820 MT	Countrywide	\$140,234,000
WFP	Regional Purchase—330,000MT	Countrywide	\$200,000,000
USAID/DCHA/OTI.....			Subtotal: \$417,823,363
Administrative	Administrative Costs	Countrywide	\$10,865,907
IOM	Iraq Transition Initiative	Countrywide	\$6,462,167
DAI	Iraq Transition Initiative	Countrywide	\$389,500,376
Internews	Media	Countrywide	\$160,359
Radio SAWA	Media	Countrywide	\$400,000
NDI/IRI	National Governance	Countrywide	\$650,000
IFES	National Governance	Countrywide	\$1,042,315
ICNL	Civil Society	Countrywide	\$39,238
Spa War**	Inter-Ministry Communications	Countrywide	\$8,703,001
TOTAL USAID ASSISTANCE TO IRAQ FROM 2003-2006			\$5,037,168,337

* Figures in funding sheet are subject to change and do not represent a final official accounting of USG obligations.