



Bi-Weekly Update

Week of September 11, 2006



Earlier this year, through an implementing partner and in coordination with the Ministry of Labor and Social Affairs, USAID's Office of U.S. Foreign Disaster Assistance (USAID/OFDA) launched a vocational training program in a northern Governorate. Through this project, USAID successfully enhanced practical skills in areas of high demand and enabled the local Employment and Vocational Training Center (EVTC) to expand its operations. The photos above show Iraqis training in blacksmithing and turnery.

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USAID assists Iraqis in reconstructing their country by working with the national government and local authorities. Programs are implemented in coordination with other USG agencies, 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.

Ministry of Labor and Social Affairs launches USAID-funded Social Safety Net Pilot Center to assist poor

With USAID's guidance and support, a social safety net emerges to help alleviate poverty.



As part of the USAID-Funded Economic Governance II Project to help in the economic reconstruction and policy reform in Iraq, technical assistance is being provided to assist capacity building and institutional strengthening in the Ministry of Finance (MoF) and Ministry of Labor and Social Affairs (MoLSA). With USAID's support, the Government of Iraq (GoI) is developing pension policy, strategy and legislative reforms. The GoI is also implementing a Social Safety Net program to reduce poverty and mitigate the impact of fuel and food subsidy removal on poor and vulnerable families throughout Iraq.

As the reformed and enlarged Iraqi Social Safety Net program continues to evolve, project advisors have successfully installed in the MoLSA the Social Safety Net Pilot Center for modern processes and customer-oriented services to assist program beneficiaries in Iraq. The Pilot Center includes a Data Entry Center that will process claims for beneficiaries in Baghdad, a Central Data Unit that develops the national database of SSN beneficiaries in Iraq, and a Training Hall for MoLSA employees administering the program. The Center was inaugurated on August 23, by a heavily attended event coordinated by the Minister of Labor and Social Affairs, Dr. Mahmoud Al Radhi.

Project advisors designed new application forms for low income families and disadvantaged groups (disabled, orphans, and widows) and new administrative procedures to help the MoLSA timely assist the expected 1 million applicants by the end of the year, most of whom will be poor families facing extreme poverty and social exclusion. To date, 121 MoLSA employees have been trained to work in the Pilot Center and SSN local offices throughout Iraq as customer service officers, claim operators and trainers.

Using the SSN software application, the MoLSA's Social Welfare department will be able to store applicants' records, conduct duplication checks and limit fraud, calculate benefits, manage payments and produce statistics and reports to ease evidence-based policy decisions and program adjustments for effective poverty reduction in Iraq.

Based on cross-project cooperation, USAID-funded Economic Governance II and World Bank-financed Emergency Social Protection will expand the Pilot Center solution and rollout the SSN software application to improve capacity of all MoLSA local offices currently administering the SSN program in Iraq.

At the launch, Minister Al Radhi spoke to the guests, including numerous journalists. "As 750,000 poor and vulnerable families are already included in the SSN program and successfully assisted with the package of social benefits and services, we will strongly encourage the Government to proceed with the needed fuel and food subsidy removal to expedite the process of transition towards a functional economy in Iraq for the benefit of all citizens of the country," he said.

New microfinance institution provides credit to small businesses in Kirkuk

KEY ACCOMPLISHMENTS

ECONOMIC GROWTH

- Assisted the Government of Iraq to develop and submit the first filing in the WTO accession process - the Memorandum of Foreign Trade Regime.
- Provided 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 jobs through the National Employment Program.
- Provided 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.
- 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.
- Developing the Iraqi Investment Promotion Agency with the Government of Iraq.

A few months ago, a terrorist incident in Kirkuk destroyed most of the stock of a local pharmacy, leaving a family-owned business in tatters and depriving the community of much needed medication. The pharmacy and the services it provides to the community will soon be fully restored: in mid-July the family took out a loan - the equivalent of \$3,000 in Iraqi dinars - to replenish the stock and rebuild the business.

As small as it may look, the amount means a lot. The loan was the first made by Al-Aman, a new, indigenous microfinance organization established through a successful partnership between the USAID-funded Izdihar project, the U.S. military (MNC-I C9) and the Provisional Reconstruction Team (PRT) of Kirkuk.

Al-Aman's customers will be small business owners from Kirkuk and the neighboring area who need small amounts of money to finance their operating expenses or purchase new equipment, and who normally have difficulties. The banks require real estate as collateral, whereas Al-Aman is the first Iraqi microfinance institution that gives loans based on cash flow.

Through Izdihar, a project for developing the private sector in Iraq, USAID provided a \$250,000 grant to form the initial loan capital for Al-Aman and provide training for its staff. The loans - in the range of \$2,000 to \$5,000 - will target women entrepreneurs, and are expected to create several hundred new jobs. In the first week of operation, the staff of Al-Aman interviewed 13 applicants, approved three loans (one for a business owned by a woman) and closed two of them, which may generate up to nine jobs.



The staff of Al-Aman interviewing loan applicants.

Al-Aman will serve as a model for two similar microfinance institutions located in Baghdad and Falluja that will start operating soon, and may inspire the banking sector to gradually move towards cash flow lending..

KEY ACCOMPLISHMENTS

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.

Increased Olive Tree

Population: Planted 9,000 olive trees in 16 demonstration plots countrywide.

Provided Farm Machinery Training & Tools:

Trained 107 mechanics in farm machinery repair and supplied tools to help establish private repair businesses.

Rehabilitated Veterinary Clinics:

64 veterinary clinics have been rehabilitated, serving more than 127,000 animal breeders.

Crop Production

Seed Improvement: Distributed 169 wheat seed cleaners to nine NGOs in 18 governorates. Produced over 31,500 metric tons of Grade 1 seed and treated wheat seed for 2006-07 season.

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

Farm Machinery Repair: To date, a total of 4,000 tractors have been repaired throughout Iraq.

Soil & Water Management

Strategy Development:

Initiated a 10-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 320,000 acres 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

Results of winter crop survey indicate significant increase in wheat and barley yields. USAID has worked with the Ministries of Agriculture (MOA) in Arbil and Sulaymaniyah to estimate this year's wheat and barley crop yields. The government uses the information to ensure food security and monitor the strength of the agricultural sector. Private entities such as farmers, traders, and consumers use the information to make business decisions regarding planting, buying, and selling crops.

The wheat yield estimate for the three governorates is 1,160 kilograms per hectare (kg/ha) and the barley yield estimate is 832 kg/ha. This is a substantial increase from last year's wheat and barley yields, which were an estimated 804 kg/ha and 664 kg/ha, respectively.

There are several possible reasons for these positive results. The first is an increase in and better distribution of rainfall during the 2005-2006 season. Other factors include improved seed from USAID's seed cleaning program and increased access to inputs such as pesticides and fungicides. Farmers also had better access to commercialized and subsidized fertilizer. Finally, the government of Iraq is planning to buy a significant amount of wheat from farmers.

Avian Influenza awareness program in Sulaymaniyah complete.

Last week, USAID completed a program in Sulaymaniyah to increase knowledge and understanding of preventing Avian Influenza, or bird flu. Avian Influenza is a zoonotic disease of particular concern to Iraq. It can be transferred from birds such as chicken, turkeys, ducks, geese and other wild birds, to humans. Local cases and recent outbreaks of the H5N1 strain, which began in Southeast Asia and have occurred in neighboring countries, have forced authorities in Iraq to close poultry markets and prevent the transport of live birds, causing the poultry market to suffer.



The Avian Influenza awareness program trained 7,948 females on the best ways to avoid infection. Females are an important audience as they frequently handle poultry.

The only way to prevent its spread is to educate poultry owners on how to avoid infection. Poultry owners often lack adequate information of poultry health and management. USAID, through a local NGO, held one day informational workshops throughout Sulaymaniyah.

Workshops were supported by instructional aids such as posters and publications that offered basic hygiene measures and bio-security for poultry owners and handlers in practical designs. A total of 7,535 males and 7,948 females in 720 Sulaymaniyah villages were trained. Women were an important audience because they deal with poultry frequently and are therefore more susceptible to H5N1.

KEY ACCOMPLISHMENTS

- 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 its 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 U.S. Foreign Disaster Assistance (OFDA) to specifically target Iraq's internally displaced persons (IDPs).

HIGHLIGHTS THIS WEEK

Vocational training program in a northern Governorate. Few public sector job opportunities and local populations' lack of vocational skills are two of the main causes for increasing rates of unemployment among internally displaced persons (IDP) and returnee populations in Iraq. High rates of unemployment lead to social and economic problems and leave entire families without a source of income.

Through an implementing partner and in coordination with the Ministry of Labor and Social Affairs, USAID's Office of U.S. Foreign Disaster Assistance (USAID/OFDA) launched a vocational training program in a northern Governorate in March of this year. Through this project, USAID aimed to enhance practical skills in areas of high demand and enable the local Employment and Vocational Training Center (EVTC) to expand its operations. The first part of the vocational training program, which included courses in auto mechanics, electrical fitting and wiring, carpentry, and basic computer skills, took place from March through May. The second part of the program, including courses in turnery, plumbing, blacksmithing and cooling and air conditioning, began in May. A USAID implementing partner selected the training topics based on local employment needs as determined through assessments, provided teaching aids and other materials, and supported participants' tuition and trainers' fees.

In total, 187 unskilled and unemployed IDPs and returnees from various ethnic groups enrolled in the program. Each course ran from 30 to 45 days and involved weekly theoretical and practical examinations. Participants who successfully met course requirements received skill certifications from the EVTC and were registered in a database accessible by local contractors and small businesses in need of employees.



Iraqis participate in a blacksmithing training course.

Eighteen-year-old Mohammed Ibrahim* participated in this program. Living in a rental house, Mohammed dropped out of school in order to support eight family members as an unskilled laborer. After enrolling in this program, Mohammed stated, "I thank all those who supported this training program. I have chosen to participate in the plumbing field as I like this type of work. I have necessary knowledge, skills, and official certificate from the trainer and I hope that this would help me while seeking the private sector for getting a job and a stable income source to support my family."

* Name has been changed

COMPLETED PROGRAMS

Since the cessation of the 2003 conflict, USAID has completed its planned work at Umm Qasr Seaport, restored 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

- USAID projects have added 1,292 MWs of new or rehabilitated generation capacity to the national grid. This is a big portion of the over 2,700 MWs of new or rehabilitated capacity added in total by the USG.
- Provided out-of-country training for 240 Ministry of Electricity officials, plant managers, and engineers in how to properly operate and maintain the power plants.
- In addition to the new and rehabilitation power projects, provided over \$100 million of extra equipment and spares to the Ministry of Electricity to support the maintenance and expansion of the power system.
- Rebuilt several hundred kilometers of 400 kV electrical transmission line between Nassariya and Khor Al Zubayr in the Basrah area, re-establishing the major bulk power transfer link between Central and Southern Iraq.
- Provided 37 electrical distribution substations for the Baghdad area totaling over 1,100 Mva of new capacity.
- Restored water treatment services to 2.8 million Iraqis and provided sewage treatment to 5.1 million Iraqis.
- Improved potable water and/or sewage treatment service in six Iraqi cities and provided treated water to 70 rural communities nationwide.
- Improved the domestic telephone system and restored international calling service.
- Installed a consolidated fiber optic network, which will allow Ministry of Electricity officials to monitor and control the electric grid, greatly improving the reliability of electric power service to Iraqis.
- Repaired and refurbished Baghdad International Airport and Basrah Airport to prepare for commercial operation.
- Reopened Umm Qasr seaport to commercial operation, through dredging and clearing harbor, restoring port tariffs, and renovating buildings and infrastructure.
- Rebuilt three major highway bridges and 72 km of the Iraqi Republican Railway line from the Port of Umm Qasr to Shuayiba Junction.

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

| FY 2003-2006* | | | |
|----------------------------------|---|---------------------------|-----------------|
| Implementing Partner | Sector | Regions | Obligation |
| Reconstruction USAID/ANE | | Subtotal: \$3,969,507,640 | |
| Abt Associates | Health | Countrywide | \$23,031,886 |
| AFCAP | Logistics | Countrywide | \$85,140,758 |
| America's Development Foundation | Civil Society | Countrywide | \$42,880,157 |
| Army Corps of Eng. | Architecture and Engineering Services | Countrywide | \$29,244,356 |
| BearingPoint | Economic Governance | Countrywide | \$79,583,885 |
| BearingPoint | Economic Governance II | Countrywide | \$108,500,000 |
| 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 | \$1,263,411,678 |
| 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 | \$294,050,000 |
| DAI | Marshlands | South | \$4,000,000 |
| DAI | Agriculture | Countrywide | \$101,352,912 |
| Futures Group | Health | Countrywide | \$30,000 |
| Logenix | Health | North/Central | \$108,506 |
| Partnership for Child Healthcare | Health | Countrywide | \$2,000,000 |
| MACRO Int'l. | Health | Countrywide | \$2,000,000 |
| Louis Berger | Vocational Education | Countrywide | \$30,016,115 |
| Louis Berger | Private Sector Development II | Countrywide | \$95,000,000 |

PROGRAM FINANCIAL SUMMARY

| 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 | \$999,926 |
| 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: \$190,618,209 |
| ACTED | Water and sanitation, health/hygiene, education | Eastern Iraq | \$2,995,793 |
| Administrative | Administrative Costs | Countrywide | \$9,215,073 |
| 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 |

PROGRAM FINANCIAL SUMMARY

| FY 2003-2006 | | | |
|--|---|---------------------------|--------------------------------|
| Implementing Partner | Sector | Regions | Obligation |
| IMC | Health, IDP Assistance, Food Security, Nutrition, Water and Sanitation, Capacity Building | Countrywide | \$38,332,887 |
| IOM | IDP Assistance | Central and Southern Iraq | \$20,642,470 |
| 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 | \$17,676,190 |
| 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 | \$27,001,114 |
| 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: \$418,587,768 |
| Administrative | Administrative Costs | Countrywide | \$11,630,312 |
| 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 | | | \$5,004,284,617 |

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