



Bi-Weekly Update

Week of September 25, 2006



The USAID funded Agriculture Reconstruction and Development Program for Iraq (ARDI) works throughout Iraq to assist farmers through programs that varies from seed cleaning to awareness campaigns. In this particular course farmers are reminded of the benefits of safe use of pesticides. The course emphasizes the importance of wearing proper attire, not overusing, and keeping pesticides away from family dwellings.

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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.

USAID course teaches safe use of pesticides in rural farming communities

USAID's Agriculture Reconstruction and Development program for Iraq continues its outreach through essential training



Photo: Susan Marx

The Agriculture Reconstruction and Development Program for Iraq (ARDI) works throughout Iraq to assist farmers through programs that varies from seed cleaning to awareness campaigns. In this particular course farmers are reminded of the benefits of safe use of pesticides. The course emphasizes the importance of wearing proper attire, not overusing, and keeping pesticides away from family dwellings.

Mid-morning on a balmy Tuesday in August, three dozen or so young children mull around the communal well in the center of the mosque, in Badawan village located in the Sulaymaniyah district of Rania. Mean-while, thirty men remove their shoes and gather on the outdoor porch for a USAID-funded training session on the proper techniques for safe use of pesticides. They are seated along the two sides of the cement structure on brightly woven rugs. Greetings are made across the way and two young men distribute glasses of water on a tray.

When everyone is seated, Mr. Karzan Yassin Qadir begins the one-day training session. Mr. Karzan was trained by USAID's Agriculture Reconstruction and Development Program for Iraq (ARDI), to teach local farming communities on important farming techniques and best practices to increase their yield, safeguard the community from disease, and prevent other negative impacts of poor farming practices.

Mr. Karzan from the Iraqi NGO Youth Activities Organization (YAO), the local implementer in the project, uses a sample pesticide applicator to instruct the eager learners on issues ranging from the importance of wearing the appropriate attire when handling pesticides, to the careful consideration of the wind, and proper clean-up routines following pesticide application. As the class proceeds, questions abound among the barefoot, cross-legged students questioning the amounts and appropriate timing of pesticide applications. As way of illustration, Mr. Qadi uses a whiteboard to diagram how a farmer should indicate which areas have already been treated with pesticides.

The curriculum strongly emphasizes safety and reminds the students not to mix the products at home, for risk of exposing family members and livestock. Asked how the training is assisting the community, one of the students explained that "we had several casualties before the training and learned important procedures to avoid future accidents".

Agriculture remains the primary source of income for the roughly 50 families of this rural Kurdish village. Local crops include amongst others, okra, chick-peas, wheat, and barley. While some of the younger men attending the training course dream of university and becoming doctors or engineers, most of them explained that they will remain farmers. Agriculture employs about 25 percent of Iraq's labor force; programs like ARDI ensure that the young men of Badawan can look forward to a future of sustainable, higher yielding, and healthier harvests.

KEY ACCOMPLISHMENTS

- 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.

USAID works with Iraqi institutions to establish an environment for sustainable economic growth. Assistance empowers policy makers to develop 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 across Iraq.

HIGHLIGHTS THIS WEEK

The Iraq Company for Bank Guarantees (ICBG) gears itself for late October launch. Preparatory work is well underway at the ICBG to ensure a business commencement date at the end of October 2006. Shareholder and follow on ICBG Board- meetings have been held in August and September. During September and October 2006, ICBG management will undertake a structured marketing effort with all commercial banks and finalize guarantee applications with those that will be ready to approach the company on its scheduled launch date. Guarantee applications for two SME loans are expected in September for management review. Executive, Risk Management, Audit and Grants oversight committees will be meeting shortly to take stock of all pre-opening work underway. Committee reports will be presented at the next ICBG Board meeting in early October. At this meeting a formal opening date for the institution should be set for announcement.

Through a technical assistance and grants program developed with the ICBG, USAID is endeavoring to foster among the Iraqi private banks an SME lending capacity, a shift from an asset-based to a cash-flow-based lending methodology, and development of healthy corporate governance & loan practices. An increasingly large portfolio of ICBG guaranteed loans offered by participating banks will contribute to national economic development, which will in turn spur SME expansion and associated job growth.

USAID program works to advance intellectual property rights law. With the support of USAID's Izdihar project, the Intellectual Property Committee of the Government of Iraq completed an integrated draft of the intellectual property law which aims to be fully compliant with the requirements of the World Trade Organization (WTO). Currently under final review, the draft will soon be discussed by the Council of Ministers and then submitted to the Parliament.

USAID helps train private bankers on anti-money laundering and combating the financing of terrorism. On September 10, thirty bank directors and senior managers from private banks were trained, as part of USAID's Izdihar program, to understand their roles in combating money-laundering under the Iraqi Anti-Money Laundering Act of 2004. Preventing, detecting, and reporting money laundering is an on-going responsibility for management and all bank employees. Appropriate anti-money laundering policies and procedures should be established, roles and responsibilities understood, and official reporting channels available.

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

USAID implementing partners respond to immediate needs of IDP families displaced by sectarian violence. In coordination with local NGOs, USAID implementing partners were able to support families in Al Anbar and Ninawa governorates. Nearly 1,200 vulnerable families were provided with basic household items to alleviate the hardship they have faced since being displaced. The families were provided with mattresses, blankets, gas stove, kitchen supplies, carpet, jerry cans, 200-gallon water tank, and a family hygiene kit.

By coordinating and monitoring local NGOs, USAID implementing partners are able to support vulnerable families residing in unstable and insecure areas. Guidance provided to local NGOs promotes their ability to deliver vital services to beneficiaries and improves their capacity to provide



such services independently in the future. USAID implementing partners monitored and reported on local NGO's day-to-day distribution, management and transport of procured items to their ultimate recipients.

Working with local authorities and community leaders, the NGOs were able to identify the most vulnerable and neediest families and secure the necessary official permits to conduct their relief activities. Through a wide network of volunteers and contacts, local NGOs were able to obtain a greater level of security and risk management since they had acquired the sanction of local tribal leaders.

Summer clothes provided to 600 needy IDP families living in Diyala governorate. Families unable to obtain appropriate clothes for warmer climates were assisted by USAID implementing partners and local NGOs. This activity builds upon prior assistance given to IDP families such as the supply of livelihood assets packages. Such provisions grant each needy IDP family basic items such as blankets, mattresses, pillows, and kitchen equipment.

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: \$3,993,206,520	
Abt Associates	Health	Countrywide	\$23,031,886
AFCAP	Logistics	Countrywide	\$85,140,758
America's Development Foundation	Civil Society	Countrywide	\$52,880,157
Army Corps of Eng.	Architecture and Engineering Services	Countrywide	\$29,244,356
BearingPoint	Economic Governance	Countrywide	\$79,583,885
BearingPoint	Economic Governance II	Countrywide	\$126,692,653
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	\$271,370,000
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	\$25,802,342
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	\$107,400,000
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: \$190,681,153
ACTED	Water and sanitation, health/hygiene, education	Eastern Iraq	\$2,995,793
Administrative	Administrative Costs	Countrywide	\$9,278,017
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			\$5,028,046,441

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