

## Data Sheet

<b>USAID Mission:</b>	Iraq
<b>Program Title:</b>	Expand Economic Opportunity
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	267-003
<b>Proposed FY 2004 Obligation:</b>	\$46,000,000 IRRF
<b>Prior Year Unobligated:</b>	\$7,000,000 IRRF
<b>Proposed FY 2005 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	FY 2003
<b>Year of Final Obligation:</b>	TBD

**Summary:** USAID's objectives for economic governance support the objectives of the Coalition Provisional Authority (CPA). Objectives address Oil for Food (OFF) and currency conversion, fiscal, financial, private sector development, utilities, and the regulatory environment.

To address rural employment and overall economic development, USAID will work in conjunction with Iraqi ministries, the private sector, and higher education institutions to support Iraqi initiatives that stimulate short and long-term economic growth.

In the 1990s, Iraq's marshlands - one of the world's largest wetland ecosystems - were almost completely destroyed. Marshes were drained, biodiversity was compromised, and the local population was displaced. USAID is working with local residents to revitalize the marshlands as part of the Marshlands Initiative. USAID's activities are developed in close coordination with the CPA and relevant Iraqi ministries.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

All projects to be implemented by USAID will be done under the auspices of the CPA. As a support role to various directorates within the CPA and in coordination with other executing agencies, USAID intends to work with the Ministry of Labor and Social Affairs (MOLSA) to establish 28 Employment Centers to match the needs of the vast labor pool with those of the public and private sectors and facilitate reconstruction efforts. Using these centers, MOLSA will provide employment services, counseling, and other services to 1.1 million Iraqis, including 300,000 demobilized soldiers. USAID will also contribute to the establishment of 16 MOLSA Vocational and Technical Training Centers in order to meet the demand for trained workers and to retrain unemployed and displaced workers.

Decades of economic mismanagement, state control, and isolation from sanctions has left the Iraqi banking sector and Iraq's micro and small and medium enterprises without the proper skills needed to run businesses in a liberal and open economy. To overcome these issues USAID, in coordination with CPA, will provide support to ensure that Iraqi banks and firms are able to function effectively during reconstruction and afterwards. These funds will support both bank and business skills training that will ensure that subcontracts are not lost due to a lack of business management skills. Rehabilitation of the banking system in FY 2004 will focus on the beginning steps of the process, in particular on the Central Bank of Iraq (CBI) and on the national information technology networks that will bind Iraqi private and public financial institutions into a truly national banking system. USAID will issue grants to one or more non-governmental organizations (NGOs) or similar entities whose purpose is to implement a loan program to support Iraqi micro, small, and medium enterprises. Particular emphasis will be given to Iraqi companies competing for Supplemental-funded reconstruction sub-contracts.

#### FY 2005 Program:

FY 2005 will see a continuation of initiatives and programs begun in FY 2003 and FY 2004.

**Performance and Results:** There are at least 25 tasks in key areas that have been approved by the CPA and are in various stages of initial implementation. These tasks are related to currency conversion, currency auction and monetary data, state-owned enterprises, credit for small businesses, commercial legislation, coordination of a national employment program, bank-to-bank payment system, financial management information system, tax policy, tax administration, budget planning, capital budget planning, state-owned insurance companies, electricity reform, and electricity regulatory reform, telecommunications, economic governance, OFF transition management, and economic government oversight for the oil industry.

USAID is assisting the CPA in managing a microcredit program that helps banks to strengthen their credit underwriting capacity and increase lending to small and medium-sized enterprises. Two state-owned banks and seven private sector banks have been recommended for the program. A consultant was provided to the CPA to assist them in efforts to expand Iraqi employment. More than 75,000 short-term jobs have been created through the CPA-funded National Employment Program, a pilot public works program that intends eventually to generate at least 100,000 temporary Iraqi jobs. USAID is also reforming and updating commercial laws that will encourage private sector participation, including foreign investment.

USAID and the Ministry of Agriculture are working together to identify high-priority interventions, including vaccinating animals to prevent foot-and-mouth disease, rebuilding the capacity to export dates, and supporting the seed industry. Three recent grants will renovate the Kirkuk Veterinary Hospital, rehabilitate Taza and Rashad Veterinary Clinics, and rehabilitate a Student Union at the University of Baghdad School of Agriculture in Abu Ghraib.

The Marshland Restoration and Management Program will provide social and economic assistance to marsh dwellers. Initiatives include creating a hydraulic model of the marshes to improve water management through the Ministry of Water Resources; equipping a soil and water quality lab at the new Center for Iraq Marshlands Restoration; implementing pilot projects in reconstructed wetlands that focus on improved treatment of waste and drinking water, providing social economic assistance through job- and income-generating activities in fisheries, aquaculture, livestock production, and date-palm reproduction; monitoring water quality in reflooded sites; extending healthcare services to marsh dwellers; arranging study tours for Iraqi specialists to visit wetlands in the United States and Europe in early 2004; and building local capacity by partnering with Iraqi institutions.

## US Financing in Thousands of Dollars

Iraq

267-003 Expand Economic Opportunity	ESF	IDA	IRRF
<b>Through September 30, 2002</b>			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
<b>Fiscal Year 2003</b>			
Obligations	1,000	3,000	39,000
Expenditures	0	0	0
<b>Through September 30, 2003</b>			
Obligations	1,000	3,000	39,000
Expenditures	0	0	0
Unliquidated	1,000	3,000	39,000
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	7,000
<b>Planned Fiscal Year 2004 NOA</b>			
Obligations	0	0	46,000
<b>Total Planned Fiscal Year 2004</b>			
Obligations	0	0	53,000
<b>Proposed Fiscal Year 2005 NOA</b>			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	1,000	3,000	92,000