

December, 2006

Since March 2003, USAID has been allocated approximately \$5.3 billion to assist in the effort to create a better Iraq. Of this amount, we have spent approximately \$4.6 billion to save lives and help secure better futures for millions of Iraqis. With these funds, we have built and refurbished power, water, and sewage plants; immunized millions of children from polio, measles, and mumps; and built schools and trained teachers. Throughout our programs, USAID maintains its commitment to further advance economic and political development throughout Iraq.

#### IMPROVING PRIMARY HEALTH CARE

USAID has helped to strengthen essential primary health care services throughout Iraq. In 2005 alone, USAID-supported emergency campaigns immunized 98 percent of Iraqi children between the ages of one and five years (3.62 million) against measles, mumps, and rubella. Also in 2005, USAID immunized 97 percent of Iraqi children under five (4.56 million) against polio. Additionally, USAID partners have trained more than 3,200 Iraqis to expand access to essential primary health care services.



A doctor receives an emergency medical health kit from USAID at a primary health care center in Baghdad. The kit, contains supplies and medicine, that can benefit up to 10.000 people for three months

#### TRANSFORMING PRIMARY EDUCATION

USAID worked with the Ministry of Education (MoE) to improve access to quality education in Iraq at the primary, secondary, and university levels. The goals of the partnership were to increase enrollment: improve the quality of primary and secondary education; ensure that classrooms had sufficient supplies; facilitate community involvement; and train teachers and support MoE capacity building. In support of this mission, USAID has rehabilitated nearly 3,000 schools since 2003. At the same time USAID and UNESCO provided 8.6 million and 12 million new textbooks respectively. Over 90.000 teachers and administrators were trained.

## RESTORING EXCELLENCE IN HIGHER EDUCATION

The USAID Higher Education and Development (HEAD) Program brought together five American and 10 Iragi universities to help reestablish academic excellence in Iraq's higher education system. USAID rehabilitated and equipped 23 specialist libraries, 23 computer labs, 20 specialist science labs, and 17 auditoriums, benefiting approximately 50,000 university students. In addition, books and electronic resources have been provided to university libraries throughout Iraq. To date, more than 1,500 Iraqi faculty and students have participated in workshops, trainings, conferences, and courses in Iraq, the Middle East, Europe, and the United States.



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Newly constructed Baghdad South: Units 1A and 1B

#### **EXPANDING ACCESS TO ELECTRICITY**

In 2002 Baghdad had access to electricity on a near continuous basis while the rest of Iraq was limited to three to six hours daily. The U.S. government has made significant progress in improving electricity supply in Iraq and distributing it more equitably throughout the country. USAID has added 1,292 MW of new or rehabilitated capacity to the electrical grid.

Over 240 Ministry of Electricity officials, plant managers, and engineers underwent USAID training to properly operate and maintain the power plants.

# PROVIDING POTABLE WATER AND RESTORING SEWERAGE SYSTEMS

USAID has refurbished or expanded 19 water treatment plants in five cities in Iraq and constructed 70 small water treatment plants serving rural villages.

USAID also provided plant-level operations and maintenance support at major potable

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water plants and wastewater treatment plants nationwide to ensure that these plants continue to function.

In 2003 none of the sewage treatment plants in Iraq were functioning properly and the sewage collections systems were in poor condition. This resulted in sewage pooled in neighborhoods and dumped directly into nearby rivers. USAID has refurbished 10 sewage treatment plants in eight cities in Iraq, processing 300 million gallons daily and providing treatment for an additional 5.1 million Iraqis,

## TRANSPORTATION AND TELECOMMUNICATIONS

USAID's goal was to rebuild major transportation routes to restore the flow of humanitarian goods and services and reestablish commercial links. USAID reopened the Umm Qasr Port, allowing commercial shipping to expand significantly. USAID helped rehabilitate the Baghdad International Airport as well as the Basrah International Airport. USAID completed an assessment of over 1,100 kilometers of railroad track and rail facilities throughout the country to identify priority projects. USAID also rebuilt three priority bridges including two in AI Anbar province and one in Erbil.

USAID worked to restore the national fiber optic telecommunications network, repaired the telephone switching system in Baghdad, and restored international telecommunications capability.



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#### **BUILDING DEMOCRACY**

USAID has invested over \$776 million in democracy building programs throughout Iraq. In its first year, USAID democracy initiatives focused on local governance and community engagement. In its second and third years USAID added to its portfolio support for the elections, national governments, and the justice system, as well as constitutional development, and civil society building.

#### NATIONAL GOVERNANCE

USAID provided 13 technical experts to train the members of the Iraqi Transitional Government and the Iraqi National Assembly (INA) to professionalize government practices.

To educate voters about the significance of the constitution, USAID distributed 1.35 million pamphlets and supplements on the Constitution in both Arabic and Kurdish. USAID's 10,000 educational workshops on the constitution reached over 300,000 people throughout Iraq

To ensure credible and transparent elections, USAID trained and transported thousands of Iraqis to guarantee citizen and civil society involvement in all of Iraq's transitional elections. The program trained 15,000 political party observers and 10,000 accredited domestic monitors throughout Iraq.



A group of Iraqi men listen to a description of the basics of democracy and the selection process that will allow for delegates to select 20 members from their communities to a new district council. USAID is working to promote ongoing local governance projects throughout Iraq.

#### **LOCAL GOVERNANCE**

Over 750,000 Iraqis participated in 22,000 discussions to educate citizens on democracy and political transitions. National Agenda Dialogue Conferences engaged stakeholders such as academics, journalists, women, lawyers, health professionals, tribal leaders, and civil society organizations in discussions about democracy.

Throughout Iraq, USAID established or rebuilt 16 governorate councils, 96 district councils, 195 city or sub-district councils, and 437 neighborhood councils. USAID organized elections for governors, mayors, and local councils. USAID held trainings for the participating members including 2,000 council members, 28 governors, 42 deputy governors, 420 Director Generals and key staff in 380 government departments. Over 650 (87 percent) of the new provincial council members had received USAID local governance training.



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## CREATING A CIVIL SOCIETY AND MEDIA DEVELOPMENT

The overall goal of USAID's Iraq Civil Society and Media Program (ICSP), is to support USG efforts to foster participatory democratic governance in Iraq by implementing a program that strengthens civil society's role in its economic, political and social development. Apart from civic education and independent media, ICSP programs teach Iraqis to use democratic processes to fight corruption, and address human rights and gender issues.

USAID's experts trained and assisted over 1,000 Iraqi Civil Society Organizations (CSOs), over 50,000 individuals, in the areas of women's advocacy, anti-corruption, constitutional awareness and human rights and media in order to directly impact Iraq's emerging democratic processes and institutions. USAID has awarded over 250 small grants to CSOs to reinforce training and support advocacy and public awareness projects and activities.

Through training and workshops, ICSP is developing an independent media with the goal to engage media outlets throughout the country that provide accurate, high quality information to their audiences. USAID has provided the foundation for a media friendly environment that includes support to public broadcasting. USAID also guides media law advocacy geared toward establishing a legal environment supportive of an independent media.



A young woman learns to sew at a CAP-funded women's center in Khabat

#### **COMMUNITY ACTION PROGRAM**

USAID's Iraq Community Action Program's (CAP) overarching objective was to promote grassroots democracy and better local governance through demand-driven community development. Working directly through Community Action Groups (CAGs) and in consultation with local government counterparts, CAP is continuing to create representative and participatory community groups.

To date, USAID has committed over \$271 million to 5,906 CAP projects while Iraqi communities have contributed more than \$74 million. CAP has established over 1,400 community associations in all 18 governorates and created more than 2 million days of employment and 33,000 long-term jobs.

CAP partners received additional funding to assist civilian victims of armed conflict. The Marla Ruzicka Iraq War Victims Fund ensures that victims of conflict are specifically highlighted for funds to provide relief from severe suffering caused by conflict.



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#### **CREATING A NEW ECONOMY**

With USAID's support, Iraq has begun making crucial changes to reenter the global economy. USAID's economic growth programs are building the capacity of the Government of Iraq and the Iraqi people themselves to reform the public sector and expand private sector growth.

USAID's \$353 million economic growth programs focus resources to ensure that national-level reforms are paired with subregional economic development assistance to ensure that communities and entrepreneurs in all of Iraq's provinces are capable of taking advantage of the opportunities created by the country's economic reforms.

#### **PUBLIC SECTOR REFORM**

USAID has advisors at ten ministries and at the Central Bank. At the Central Bank, USAID has supported mechanization, creating the capacity of executing monetary policy and maintaining price stability. USAID also assisted the Central Bank in banking supervision and problem bank resolution to increase public confidence. USAID has furthermore developed strategies to modernize the customs and taxation processes to provide for increased revenue for public sector expenditure.

USAID helped establish Iraq's Financial Management Information System (FMIS). Now covering 100 percent of the GoI spending units, the FMIS has transformed Iraq's accounting systems from manual to electronic based, improving the transparency and efficiency of Iraq's national financial networks.

#### Continued

USAID has helped the Ministry of Finance and the Ministry of Labor and Social Affairs to develop and implement a more effective Social Safety Net (SSN) system for Iraq's poorest citizens.

The system is designed to ease the possible impact of decreases in some social services and subsidies on Iraq's vulnerable populations. USAID's assistance to the GoI will allow roughly 25 percent of Iraq's citizens to meet the poverty threshold of income of \$1/day.

Currently, 750,000 families are enrolled in the SSN program and are ready to receive Government benefits. An enrollment of one million families is anticipated by year's end.



This Iraqi business man purchased a new stone crusher through a USAID business development grant. The machine produces quality cement that he can sell at a cheaper rate. His expanded business allowed him to hire fifteen more people.



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#### LEGAL AND REGULATORY REFORM

To facilitate private sector growth, USAID helped draft and amend dozens of commercial laws supporting private sector growth in Iraq. USAID has also helped conduct legal assessments in over 23 economic areas in cooperation with the Iraqi government.

Through banking reforms, and the establishment of an Iraqi Investment Promotion Agency and Trade Information Center, USAID has encouraged the growth of new businesses and is helping remove many of the constraints and bottlenecks to economic investment and development.

## INCREASED DEPTH OF PRIVATE SECTOR GROWTH

To foster Iraq's accession to the World Trade Organization (WTO), USAID helped the GOI draft the Memorandum of Foreign Trade Regime, a detailed accounting and explanation covering all aspects of the WTO applicant's trade and legal regime, and established the Trade Policy Unit within the Ministry of Trade which serves as a coordination point for WTO-related accession tasks and planning.

USAID integrated Iraq's three business registry entities and implemented a harmonized IT infrastructure. To date, over 30,000 businesses have registered via the new system.

USAID facilitated the formation of Iraq Business Associations Alliance from 10 business associations that have received technical assistance and grants.

#### Continued

To help them continue their growth, USAID established 45 accounting, law and economics learning resource centers throughout Iraq.

Over 2,436 entrepreneurs from micro, small, and medium sized businesses (22.6 percent women) were trained in business skills.

USAID approved 350 competitively solicited grants totaling \$3 million to provide much needed capital to startup small and medium-sized businesses throughout Iraq.



USAID granted this small candy shop \$5,000 for stoves, drying trays, mixer machines and workspace renovations. The owner contributed \$1,050 of his own money to purchase storage boxes, commercial heating pots, and natural gas cylinders. The new equipment increased his production rate from five boxes of Naana Kaisi, a traditional Iraqi fruit candy, per day to sixty.



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One of over 2000 newly refurbished tractors in use in Iraq

# STRENGHTENING AGRICULTURAL CAPACITY AND PRODUCTIVITY

The agriculture sector is the largest employer in Iraq, currently employing about 30 percent of the labor force; however, it is filled with low-skilled workers with little ability to participate in the country's economic growth. With reform policies and dedicated training to farmers and Ministry of Agriculture officials, USAID has laid the foundation for extensive agricultural improvements. USAID will continue its work in agriculture with a new program beginning in spring 2007 which will focus on agribusiness support and development.

#### Mechanization

Most wheat production in Iraq is mechanized; farmers depend on tractors to cultivate their crop. USAID has repaired over 2,000 tractors to return them to use for agricultural production. Making Iraq's tractor fleet operable provides incentive for agribusinesses to invest private equity in a country-wide infrastructure for agricultural machinery. USAID trained tractor mechanics to ensure the sustainable use of the vehicles.

#### Grain and Date Palm Production

USAID has demonstrated a 40 percent average wheat yield increase over traditional methods for farmers that utilized a cost-effective technical package. Additionally, USAID

distributed 173 seed cleaners, improving over 30,000 tons wheat seed for planting in 2006-2007 season. This benefits over 46,000 wheat-producing farm families around the country.

To help revitalize a struggling industry, USAID increased the area of 21 date palm mother orchards to preserve the over 600 varieties of date palms in Iraq from genetic deterioration, and to propagate up to 240,000 commercially viable offshoots per year to increase availability to date producers.

#### Livestock Production

USAID rehabilitated 66 veterinary clinics, responsible for serving almost five million animals and 130,000 animal breeders. Additional assistance was provided to ensure the health and vitality of livestock including a vaccination program for over 570,000 sheep against brucellosis.



Iraqi farmers gather for information on this salt tolerant variety of wheat introduced through USAID's Agriculture program.