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FY 2009 FOREIGN ASSISTANCE GOALS

The United States and the Republic of Iraq are entering a new phase of relations, moving beyond a primary focus on security cooperation to one of strengthened diplomatic relations and bilateral ties in commerce, culture, science, and education. As this normalization occurs, the full implementation of the Strategic Framework Agreement between the United States and the Republic of Iraq will guide the two nations as they expand and enhance cooperation.

United States Government (USG) assistance is helping to build a foundation for a peaceful and prosperous Iraq. This assistance is transitioning from being military-led to being civilian-led and from providing short-term assistance for infrastructure and essential services to supporting long-term, integrated, and Iraqi-led development.

A fundamental issue for Iraq is whether the hard-won improvement in stability can lead to the further development of Iraq's fledgling democratic, civil society, and economic institutions. USG assistance continues to support basic human rights for all Iraqis, with programs placing a special emphasis on conflict mitigation, good governance, and job creation. Assistance for brick-and-mortar projects has wound down as the Government of Iraq (GOI) becomes more self-reliant. As a result, in FY 2009, the primary focus of U.S. assistance was capacity development. In the past, programs stressed responsiveness by supporting community stabilization efforts that worked in areas affected by terrorism while mitigating the appeal of insurgent recruitment efforts. Sustainability was pursued by assisting in establishing some of the foundations for economic growth while building national and provincial capacity. U.S. efforts in FY 2009 worked to stabilize areas affected by terrorism, while mitigating the appeal of insurgent recruitment efforts.

The United States and the GOI are also working together to support and enhance Iraq's status in regional and international organizations. By overcoming the legacy of Saddam Hussein's dictatorship, Iraq will play a constructive role in the international community as a democratic and sovereign state.

Although Iraq has made progress, particularly in the area of security, it remains a fragile state with significant challenges such as persistent security problems, weak institutional capacity, and corruption. Even so, U.S. foreign assistance programs have made progress and achieved key goals.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Peace and Security

As the United States withdraws its military forces under the Security Agreement, USG assistance improved Iraqi capacity for self-defense, assisted with the reduction of violence against Iraqi citizens, and supported a proactive Iraqi counterterrorism strategy. In FY 2009, the USG continued to support the development of the Iraqi Security Forces, GOI efforts to protect its populace, and the development of Iraqi counterterrorism forces. Furthermore, the United States assisted the GOI in its ongoing efforts to join the international community in advancing the goals of conventions and treaties regarding international peace and security. In FY 2009, USG assistance:

- Continued to assist the GOI through the Terrorist Interdiction Program/Personal Identification Secure Comparison and Evaluation System to improve its capacity to identify and monitor individuals entering and leaving the country, and thus support the GOI's efforts to deny terrorist support, mobility, and sanctuary. The program provided commercial off-the-shelf computer workstations, passport readers, cameras, flatbed scanners, and fingerprint readers.
- Achieved its training target of integrating 73 Zerevani Peshmerga personnel into existing Protective Security Details in Erbil
- Destroyed 14,246 small arms and light weapons, sponsored mine risk education for over 165,317 civilians, and demined 4,769,574 square meters – allowing the land to be returned to productive use
- Expanded engagement of Iraqi scientists, technicians, and engineers with weapons-applicable expertise, to prevent their exploitation by insurgent or terrorist groups and proliferant states
- Helped to decrease the number of daily attacks across governorates where the U.S. Agency for International Development (USAID)'s Community Stabilization Program was active. Program activities included revitalization of market streets, business enhancement, refurbishment of public parks, and the restoration of telephone networks. Furthermore, 127,881 young men and women participated in non-formal education activities focused on developing conflict mitigation and management skills.
- Increased the Iraqi Corrections bed count by beginning and completing construction, renovation, expansion, and conversion in one facility. With 3,000 beds created in FY 2009, the prison construction program increased the Ministry of Justice's capacity by almost 26 percent and reduced prison overcrowding by 10 percent.
- Administered 1,863 small grants that supported training, mentoring, technical assistance, institutional capacity, and reform efforts in the areas of economic development, governance, education, agriculture, health, youth, rule of law, and minorities programs
- Furthered goals of regional stability through effective, mutually beneficial military-to-military relations and professional development courses

Governing Justly and Democratically

The USG's Democracy and Governance program supports the establishment of effective and accountable governance through democratic institutions at the national, regional, and provincial levels. Iraq's most visible progress in democratic development occurred with the Independent High Electoral Commission (IHEC)'s successful administration of provincial elections and Kurdish Regional Parliament elections in 2009. The IHEC benefits from significant technical and capacity building assistance from the USG. Specific assistance programs in FY 2009 focused on improving the administrative and institutional capacity of national, provincial, and local governments; developing Iraqi civil society engagement in local and national affairs; supporting an independent press; and building a culture of respect for human rights. In FY 2009, USG assistance:

- Improved the skills of 1,560 Council of Representatives staff (243 percent of target) through training on the legislative, oversight, and outreach functions of a parliament
- Provided legal aid to Iraqis unable to afford private attorneys, and strengthened the capacity of local non-governmental organizations (NGOs) and Iraqi universities to build a domestic cadre of independent legal experts and lawyers
- Helped victims of domestic violence, trafficking, and other crimes against women by supporting capacity building on investigation procedures, incident report writing, case-processing, and working with women's shelters
- Trained 282 professionals and staff at the Commission on Integrity (an independent commission within the GOI tasked with preventing and investigating corruption at all levels of the Iraqi Government nationwide) on management, investigation, and information management skills. In FY 2009, the Commission opened 3,993 cases, showing gains from several years of U.S. funding efforts.
- Assisted Iraqi compliance with the United Nations Convention against Corruption and Iraqi attempts to combat corruption. This resulted in an assessment and gap analysis in FY 2009, and technical assistance to the GOI to draft the Iraq National Anticorruption strategy.
- Provided training to Iraqi media organizations that contributed to transparency in the electoral process
- Worked to establish the Data Entry Center as a dedicated facility within the Independent High Electoral Commission National Office to enter and track eligible voters
- Trained thousands of domestic election observers for the January 2009 provincial elections. Helped the Iraqis prepare to support the deployment of 2,500 local observers for the 2010 national elections.
- Facilitated the creation and training of 539 community action groups responsible for identifying and prioritizing community needs, mobilizing community and other resources, and monitoring project implementation. During FY 2009, 482 community projects were supported across the country to improve roads, schools, bridges, electricity networks, irrigation, markets, and public parks.
- Decreased community conflict by training 64 conflict assessment facilitators and completing 62 participatory community assessments

- Provided support and mentoring for the drafting of the law that established the Federal Civil Service Commission, which oversees all of Iraq's civil servants
- Assisted more than 90,000 civil servants with extensive training in modern public administration methods. The GOI's institute for training civil servants is establishing itself as a certifying agency for public management curriculum and training materials, and has developed and implemented a system of review and certification of the ministries' new trainers.
- Helped the provincial councils in developing their Provincial Development Strategies; assistance was provided based on which the governorates can develop and execute their budgets

Investing in People

Over the past 30 years, the healthcare system in Iraq has deteriorated in the face of multiple wars and international sanctions. The large-scale interruption of public services and transportation, sectarian violence, and chronic underfunding of the healthcare system has contributed to a decrease in access to quality health care and a shortage in the human resources within the health professions in Iraq. A relatively small USG assistance program works to improve delivery of health services by facilitating the development of an adequate and capable public health workforce in Iraq.

Furthermore, USG assistance also supports Iraqi civilians, families, and communities that have been directly impacted as a result of coalition military operations under the Marla Ruzicka Iraqi War Victims Fund. In FY 2009, the USG expanded its work and began including Iraqi NGOs in the implementation of activities to assist with the identification of eligible Iraqi victims. In FY 2009, USG assistance:

- Supported the acquisition and installation of the Iraqi Ministry of Health's Advanced First Responder Network, as well as radio training on its use. First responder capabilities have been enhanced by the ability to dispatch emergency medical personnel to the scene and to communicate with hospital personnel.
- Sponsored 2,134 Iraqis, either victims of war or their families, by providing them with medical assistance, replacing their property that was damaged during the war, and helping them to become self-sufficient by establishing 383 businesses. Furthermore, the Marla Ruzicka Fund helped with basic medical supplies, prosthetics, wheelchairs, and other items. Fifty-five percent of beneficiaries were women.

Economic Growth

The USG's Economic Growth program assists Iraq in developing sound economic governance and promoting the establishment of a thriving, diversified economy led by the private sector. Goals include a more effective delivery of essential services; improving key sectors such as finance, energy, and agriculture; promoting macroeconomic stability; and establishing a functioning and accountable government administration. The USG remains committed to working with the GOI in support of anticorruption efforts and in developing a more market-based economy. In this regard, the United States is committed to supporting the GOI as it takes the steps necessary for integration into international financial and economic institutions. Both countries are also working actively to foster broad and enduring bilateral economic ties, as envisioned in the Strategic Framework Agreement. In FY 2009, USG assistance:

- Supported efforts by the Central Bank of Iraq (CBI) to implement modern and sophisticated monetary policy by establishing a CBI Data Center and developing the capacity of the Directorate's staff to maintain the Center
- Provided monetary policy advice to the Governor of the CBI and assisted in the development and adoption of a strategic planning framework through a workshop and ongoing technical assistance
- Contributed to the ongoing efforts to restructure the two largest state-owned banks, Rafidain and Rasheed banks
- Worked with all key stakeholders to lay the foundations for a Credit Information Bureau that will serve as a foundational pillar for the growth and expansion of the commercial banking sector in Iraq
- Provided technical assistance to Iraq as it prepared position papers on 4 of the 12 World Trade Organization Global Agreements on Trade and Service sectors: Tourism, Financial Services, Telecom/Postal and Courier, and Computers/Research and Development services
- Provided business development services through the Small Business Development Centers and other local organizations. More than 3,300 Iraqi entrepreneurs, 26 percent of whom are women, have taken advantage of their services and received training in business management, budgeting, strategic planning, and other professional skills. The centers have provided roughly 25 percent of their students with referrals to banks and microfinance institutions to obtain financing for their businesses.
- Launched a 15-month program to train Iraq's Ministry of Oil's Petroleum Licensing and Contracting Department (PCLD), which is responsible for conducting all the bid-rounds and negotiating all oil and gas contracts. This involved designing, organizing, and conducting two workshops for PCLD. This program was one of the "joint accomplishments" discussed by Secretary Clinton and Prime Minister Maliki in July 2009.
- Implemented a comprehensive package of business development services for all USG-supported individual entrepreneurs, major commercial producers, and producer associations, resulting in \$50 million of gross revenue and 3,500 new jobs created
- Assisted nine new Iraqi-owned microfinance institutions (MFIs), of which five in FY 2009 successfully completed an external audit. In addition to loan capital, the USG program provided training, technical assistance, and other capacity building. The MFIs offer one-year loans averaging \$1,500 at 15-18 percent annual interest. The repayment rate is more than 98 percent, and demand continues to outstrip supply.
- Strengthened public financial management by providing technical assistance in the areas of budget preparation by establishing budget strategies, linking policy with a medium-term budget framework, and preparing budget ceilings for ministries; budget funding and allocation system, including providing mechanisms for improved communications with ministries and provinces; documentation of the accounting system, preparing an accounting manual, and preparing for accounting reforms; budget execution and use of Letters of Credit through the provision of workshops for government officials

- Supported the Council of Representatives Finance Committee in enhancing their understanding, analysis, review, and reporting mechanisms for issues related to the budget and other public financial interests in Iraq
- Initiated a provincial project-tracking program to identify obstacles and improve the mechanisms for capital improvements.
- Provided assistance to fish farms, including facilitation of the importation of 12,400 fingerlings from Hungary; increased the gross sales of program-assisted fish farms by \$6 million
- Supported a three-week Advanced Agricultural Communications Workshop in Erbil in the spring of 2009. Additionally, the first 2 U.S.-based in-depth trainings for 24 Iraqi extension specialists were carried out in horticulture and dry-land agriculture.
- Assistance was provided to 3,611 farmers through program activities and increased the total gross sales of enterprises by \$23.8 million and employment in the agriculture and agribusiness sectors by 15,556 individuals
- Assisted agribusiness enterprises of more than \$50 million in revenue in 2009, while creating more than 5,000 new jobs. This assistance has strengthened meat, fish, fruit, and vegetable value chains through training, improved technology, and greater access to markets.

Humanitarian Assistance

The USG and GOI cooperate to provide assistance to vulnerable internally displaced persons to effect voluntary, safe, and sustainable returns of displaced Iraqis both inside and outside Iraq who wish to return home, and find durable solutions for those displaced Iraqis who will remain in a host community. The USG also works to resettle vulnerable Iraqis in the United States, especially those who face threats as a consequence of their employment by the USG. The Office of U.S. Foreign Disaster Assistance (OFDA) within USAID and the Bureau of Population, Refugees, and Migration (PRM) within the Department of State facilitate and coordinate USG humanitarian assistance to Iraqis who have been forced to move elsewhere in the country due to sectarian strife, personal threats against their safety, or escalating violence within their communities. OFDA provided additional support for communities hosting displaced and returnee populations. More-detailed information on the work carried out in Iraq in this program area can be found in the OFDA and PRM FY 2009 Performance Plans and Reports. In FY 2009, USG assistance:

- Provided humanitarian assistance, including shelter rehabilitation or reconstruction; the rehabilitation and creation of water, sanitation, and hygiene facilities; food assistance; and non-food items to vulnerable internally displaced Iraqis and their host communities
- Provided healthcare, education, food assistance, and non-food items to hundreds of thousands of Iraqi refugees living in neighboring countries
- Supported GOI efforts to assist roughly 200,000 Iraqi displaced who returned to their homes in 2009
- Provided for the resettlement of nearly 19,000 Iraqi refugees to the United States (5,000 more than were admitted in FY 2008)