



## Iraq Reconstruction Update

### Dawn Liberi, Mission Director for the U.S. Agency for International Development (AID) in Iraq

Foreign Press Center Briefing  
 Washington, DC  
 February 24, 2006

11:00 A.M. EST

**MODERATOR:** Good morning and welcome to the Foreign Press Center for today's briefing. Today's briefing will be on the reconstruction efforts in Iraq. But before we get to that I just want to, on behalf of the Foreign Press Center and the State Department, once again express our condolences and sympathy to the family of three Al-Arabija reporters who died so tragically on Wednesday in Iraq. It was a tragedy and a crime and we condemn it absolutely and we praise those journalists as well as many others of your colleagues who have died in the line of duty at the hands of terrorists in Iraq. It's been a difficult and troubling period in Iraq. I think to some degree that is why it's so important today to look at the broader reconstruction issues that even amidst the violence continue and continue to help the Iraqi people.



So with that I'd like to introduce the Mission Director of the Agency for International Development in Iraq, Dawn Liberi. Dawn, thank you for joining us.

**MS. LIBERI:** Good morning and thank you very much for having me here today. I'm delighted to be here to be able to present some information and an overview on the reconstruction efforts in Iraq.

But let me also begin by saying that we extend our condolences to the families of the journalists -- three journalists who were killed over the last two days and, frankly, to all of the people who were killed in this unfortunate incident related to the bombing of the mosque in Samarra. As President Bush has said, this was an evil act, something that we do not condone. However, we are confident that the Iraqis will be able to form a unity government in the future and that they will be able to overcome many of their religious and ethnic and sectarian differences. And so it's for the future that we are working toward and I'd like to discuss some of the success that have taken during this period of reconstruction in Iraq and tell you a little bit about the programs that USAID has been involved with.

Let me begin by just talking about the overall vision that we see when we look at Iraq and its future. First and foremost, one of the key things that the United States Government and of course the U.S. Agency for International Development is involved with is helping to defeat the insurgency. That's one of the key areas that we'll need to be focused on. Along with that, we are helping the government of Iraq to build a unified government and also to sustain that, particularly to build effectiveness at the local level and at the national level.

And finally, one of the key things that, in particular, the U.S. Agency for International Development is involved with, is helping the Iraqis to expand their economic base. I think all of you are aware that Iraq relies on oil for the majority of its revenue. And while that's good in terms of producing revenue, unfortunately that doesn't produce a lot of jobs. And what we're focused on right now is helping the Iraqis to expand the non-oil economy and build a market economy base.

Let me talk a little bit about the program that USAID has, the funding that we have expended in Iraq and what that's been used for. Many of you have heard about the reconstruction effort, about the \$21 billion that's been allocated to Iraq for reconstruction. USAID

has been responsible for programming about \$5.1 billion of the \$21 billion. About half of that funding has gone toward essential services and infrastructure programs which I'll talk about, and the other half has gone toward what we call the softer side of development: health, education, humanitarian assistance, agriculture. And I'd like to walk you through that program and talk a little bit about the successes that we've had in each of these areas.

I also want to reiterate that this \$5.1 billion reflects about 12,000 individual projects and activities. USAID works throughout the entire country of Iraq. We are in all 18 provinces and we work through over about 1,300 local Iraqi nongovernmental organizations and civil society organizations. So the majority of our programs are actually implemented of, by, and for Iraqis, and that's one of the reasons why we believe they've been successful and will continue to have a lasting impact on the society.

Let's just look for a moment at the health, and I'll go through these fairly quickly because I do want to get to questions at the end. One of the key things that we've been involved with, for example, is helping to vaccinate the Iraqi population, the under-five population. This has led to a direct decrease in the amount of disease, particularly in cases of measles or polio and has contributed to the country remaining polio free. Again, this is a major achievement for that country. If we look at some of the essential services, we have been involved with helping to restore power over 1,000 megawatts of power and people say, well, what does that translate to? Well, roughly that translates to providing electricity to about eight million people, more or less.

We've also been involved in helping to restore water supply to several million people, as well as helping to focus on water and sewage. And again, these are essential services that families did not have previously or, if they did have them, they were disrupted and now they're having these services restored. And so we believe that this is, again, one of the key areas of impact that we've been involved with.

On democracy and governance, I think this has been one of the, I think, most explicit examples of how the Iraqis are really working toward their own future. USAID was involved in helping to establish the Electoral Commission in Iraq. As you're all aware, Iraq has had three very successful elections during the past year. The most recent of which, in December, actually elected the government that will be in power for the next four years. USAID was very instrumental in helping with the electoral process, with helping to train a number of -- 15,000 of the domestic monitors and poll agents. We were also heavily engaged in ensuring that information regarding the constitution, and information about the constitution was actually sent out across the country through various forms of media: television, print, radio, et cetera. And so we believe that you can see the direct increase in terms of participation from the numbers of people that participated last January, which was about seven million Iraqis, to this past December, about 12 million Iraqis participated in elections. Again, we feel that that's been one of the key successes of Iraq and of the government and the people itself.

Another thing I'd just like to focus on, while we're on democracy and governance, is the vibrant civil society that is beginning to be built up in Iraq. I think you're all aware under Saddam Hussein that was largely nonexistent; people did not have a voice. As a result of our programs and programs that the Iraqis themselves are focusing on, civil society and, I'm happy to say, an independent media is being developed. USAID has actually helped to establish the Iraq independent news agency and there are now more than 125 either affiliates or independent press outlets throughout the country. So again, civil society is key to helping the Iraqi government overcome a lot of the ethnic and sectarian issues, and the more that civil society can have a voice, obviously the better the country will be.

I mentioned earlier economic opportunities. And here, again, this is one of the key areas that USAID has been involved with. We've helped the Iraqi government establish an investment promotion agency. We've also helped them to revitalize their business registry. And I'm delighted to say that just in the last six months, over 30,000 Iraqi businesses have been registered with this registry, and this allows them an opportunity to get more information, to get marketing data, to get access to the internet and to understand pricing -- world pricing, things -- pieces of information that they need to help expand, but also enables them to get access to information regarding financing and micro credit. I would say that this is one of the key areas USAID has been involved with. We've just launched a \$35 million program, focusing on micro enterprise and have helped businesses to increase and to generate employment.

Another area that we've had, I think, tremendous success in is in education. Many of you may be aware that Iraq pre-Saddam Hussein had one of the highest literacy rates in the entire Middle East and one of the best educational systems. Over the last 20 years, however, that has degraded. And so literacy has actually gone from 85 percent down to 62 percent. One of the key things that USAID is helping the Ministry of Education do is to revamp the curriculum and to retrain all of the primary school teachers. Right now we've trained close to 100,000 of the 300,000 teachers and by the end of our program in July, we will have trained all (inaudible) 133,000 teachers. We've also help the government to publish new textbooks and have provided over eight million textbooks to the primary school-age children. Again, these are things that just hadn't happened over the course of the last 20 years. But I would say that these are some fairly major successes.

In the area of humanitarian relief and conflict management, we've focused a lot on providing humanitarian relief, particularly for

internally displaced individuals. We've helped to focus on conflict mitigation and training and conflict mitigation and have helped to provide food for those people who needed food supply, particularly if they were ousted from their villages or whatever. And we've also helped with the resettlement process of a lot of these internally displaced persons.

So all in all, that's been -- and that's been a key area that we've worked very closely with our colleagues in the multinational forces on. We've been able to, if you will, leverage the kind of programs on the ground that the Commander's Emergency Response uses to help resettle communities. We've used that funding and leveraged that along with USAID small grants. And again, this has been used to help train people, to help provide them business opportunities and to help provide them access to credit, so that they could increase or establish new businesses.

So as we look toward the future, one of the key things that USAID will be involved with is helping the Iraqis to establish effective local government and governance. As we all know, Iraq is moving from a very centralized system of government to a decentralized and federal system of government, provincial council members have been elected in all 18 provinces and we're delighted to say that we have been working hand in hand on providing training for many of these provincial council members; again, so that they'll understand their roles and responsibilities as local representatives and also so that they can interact with civil society and respond to the needs of the constituency.

We're also going to be very focused on helping to build national capacity, particularly at the ministerial level. I think all of you are aware that the ministries are responsible for the provision of essential services like health, education, water, and electricity. And so, they need additional assistance to help increase their capacity to provide these services to the population.

And then finally, as I mentioned earlier, one of the major elements we'll be involved in is helping to expand the non-oil economic base and helping to provide employment opportunities and business development opportunities so that Iraq can have a thriving economy. In the last three years, the per capita income has, in fact, tripled from \$500 per capita to about \$1500 per capita. But as we all know, that's still fairly low, particularly in relation to many of the other Middle East countries, so expanding the economy is going to be key for the future.

So with that, that's our vision for the future and that touches upon some of the key areas of impact and successes, what I believe we have been able to achieve in partnership with the new Iraqi Government, and with that, I'd like to stop there and answer any questions you might have.

**QUESTION:** Hi, I'm Hande Atay, CNN Turk. My question is, how do you think USAID will -- able to continue, till when? Like, do you have a set date?

**MS. LIBERI:** Well, perhaps I should have stated this at the outset, but USAID is the United States Government agency that focuses on long-term development. In terms of overall foreign policy, we have diplomacy, which is the State Department, we have defense, which of course, is our military, and then we have development. USAID currently works in over 80 countries around the world and we are there for the long term, so we envision our assistance to continue for as long as the Iraqi Government wants us to be there. We always go at the invitation and stay in the country at the invitation of the host government. And the extent to which our programs continue to be beneficial to the Iraqi people and the Iraqi Government, hopefully, we'll be able to stay.

**MODERATOR:** Any other -- we have a question here for you.

**QUESTION:** With regard to the Iraqi press, I see you mentioned that some of the grants are from the U.S. Do you -- you know, offer it that they may give this impression that this kind of media are not independent, are not neutral?

**MS. LIBERI:** Well, that's actually a very interesting question. We helped to establish the Iraqi media center and as a result of that, what I have found very interesting is that they have actually not, to date, written any articles about USAID and so, my -- what I would say to you is that it's very clear to me that the journalists are independent, they certainly do not take any direction from us. This is an entity that is run by the Iraqis themselves and frankly, we don't have any say in how they do that. And so, one of the key things that we are trying to do is to help ensure that there is an independent media.

**QUESTION:** Manelisi Dubase, the South African Broadcasting Corporation. I just want to know from you, how does the increased insurgent activities blocking your programs, as you outlined in here? I was in Iraq sometime last year and it's quite hard to see what is it that you are really doing there. And when you talk to the people in the streets, they seem to despair and they seem to have no hope. How does these insurgents affect the work? And right now, with this -- what other people are saying is (inaudible) taking place. Does this set your programs back or does it affect you in any way?

**MS. LIBERI:** That's a very good question. Obviously, there is the insurgency continuing. However, as I mentioned earlier, our

programs are actually run and managed by Iraqis, so we work through over 1300 local Iraqi nongovernmental organizations or civil society organizations and it is they themselves who actually implement the programs.

So, for the most part, we've actually been quite fortunate in that our programs have been able to continue. The Iraqis are very -- particularly with programs that they themselves have designed, these are programs that respond to their needs and so, they very much want to see them move forward. And I think a testament to this is the fact that we have actually been able to expend 80 percent of our funding just in the last two years, so that's -- close to \$4 billion has actually been expended through our programs, which means that they are actually having an impact and they are actually being operational on the ground.

And as I said earlier, it's because of some very heroic, very, very brave Iraqis that these programs are moving forward. So, our program has not been stopped.

**QUESTION:** Yaquib Mustafa from Al Hurra TV. About the non-oil economy, what has been done especially in agriculture? Because Iraq is known as an agricultural country. I mean, are you focusing on that field or just on jobs related to trading and marketing?

**MS. LIBERI:** That's a very good question and as you have correctly pointed out, Iraq was actually one of the breadbaskets of the Middle East. In fact, it is the home of wheat and Iraq also had one of the most vibrant date palm industries. We have been working in all of those areas, so we helped to -- helped the Iraqis to reclaim a number of the marshland areas that had been drained by Saddam Hussein. We have actually helped to re-irrigate a significant portion of the marshlands. We've helped to increase wheat production, in some areas, as much as 25 percent. Nationally, that wheat production has increased by six percent as a result of our efforts.

We've also helped the Iraqis to revitalize their entire date palm industry, so that now they are actually, once again, beginning to export date palms throughout the Middle East and throughout the world. We've also helped them to revitalize their farmlands. They had many tractors that had gone into disrepair and we've been helping local farmers to repair their tractors, so that they can now put more land under cultivation and have also helped them to get access to fertilizer and seeds. So in fact, we're doing a lot in the agricultural sector. Twenty five percent of the workforce is engaged in agriculture and so, we know it's very, very important to make sure that those people maintain their livelihoods and additional people get employed through agriculture as well.

**MODERATOR:** Another question from CNN Turk.

**QUESTION:** In Northern Iraq, is there any of this aid is actually helping the Kurdish people or a certain amount that's going to them to help them to -- for their own government, to build their own government?

**MS. LIBERI:** Our assistance extends to all 18 provinces and it's a fairly even distribution of assistance. Now, of course, some areas are more populated than others, so they may benefit because of their level of population that they have. But yes, we do work in the Kurdish region and we work very closely with NGOs and civil society organizations on the ground there.

**MODERATOR:** Any other questions? Thank you very --

**QUESTION:** We do have one in New York.

**MODERATOR:** Oh, one in New York. Excuse me. Thank you. Okay.

**QUESTION:** Thank you. My name is John Ellis from Tokyo Broadcasting System. I had a question about -- I have two questions. One, what is -- how are you dealing with security issues in terms of protecting USAID workers in the face of the insurgency?

**MS. LIBERI:** Okay. Yes. We are obviously very, very concerned about USAID workers, obviously, both Iraqis who work on USAID programs as well as Americans and other third country nationals. We have hundreds and hundreds of people who work throughout the country on our programs and each entity has its own security profile, if you will. And so, they assess what the security situation is in a given area and then they take a variety of means to make sure that they have adequate security protection. You know, this includes armored vehicles in some cases or in other cases, it includes vehicles that are armored, but don't look -- are not these big sedans or SUVs. They're more -- they are cars that you would just find on the local economy.

And so, we spend a lot of time and attention focused on security and I have to say we've been very, very fortunate so far. We've had very few incidences of people being hurt or killed on our programs.

**MODERATOR:** You had another question, I think.

**QUESTION:** You mentioned that you would like this to be a long-term establishment, the USAID in Iraq. However, are there certain goals that you'd like to get done by a certain time? Any specifics like that that you could elaborate on?

**MS. LIBERI:** Well, yes. What I said earlier is that we want to be in Iraq for as long as the Iraqi Government invites us to stay and obviously, for the extent that our programs are having a positive impact on society. We do have some fairly specific goals related to, in particular, some of the employment generation elements and looking at -- we have numbers of jobs that we would like to see established throughout the country, certainly in areas of agriculture.

We have certain goals. We've already achieved many of the goals in education and health that we had set out at the start of our efforts two and half years ago. And we have just, in fact, approved a new strategy that looks forward at these areas, but that's not released yet for the public. It will be out soon, though.

**MODERATOR:** Any further questions? Thank you very much for coming today.

**MS. LIBERI:** Thank you.

**MODERATOR:** Oh, another one in New York. My gosh, okay.

**QUESTION:** We've got a line.

**MODERATOR:** We've got a line.

**MS. LIBERI:** Oh, okay.

**MODERATOR:** Go ahead, New York. Sorry. Go ahead. Yes.

**QUESTION:** Yes. My name is Olli Herrala and I'm from Helsinki, Finland, Kauppalehti Business Daily. I have a couple of questions about Iraqi economy. Would you please give us some numbers about economic growth in Iraq and maybe the number of new companies founded in Iraq in recent times?

**MS. LIBERI:** Yes. Again, as I stated earlier, the Iraqi economy is growing. It was about \$27, \$28 billion last year. It's about \$32 or \$33 billion this year. Per capita income has, in fact, tripled over the last two and half years from \$500 per capita to now, it's about \$1,500 per capita. And as I mentioned earlier, we have helped Iraq to re-establish its business registry.

Just in the last six months, 30,000 new Iraqi businesses have been registered with the business registry and there are an average of 2,000 businesses each month that now get registered. And so, we are very hopeful that the economy is picking up and will continue to pick up. We've also seen some signs of both regional and international private sector investment and we believe that the Iraqis have a very ambitious plan, in fact, that they are promoting for foreign investment.

**MODERATOR:** Any more questions from either New York or Washington?

(No response.)

**MODERATOR:** Okay. Thank you very much.