

Post Conflict Economic Development Strategy  
 Briefing to General Petraeus on ePRT North Babil Program  
 Michael Maxey, USAID Representative  
 July 6, 2008

General David Petraeus made an unscheduled visit to 4<sup>th</sup> BCT headquarters on Sunday, July 6<sup>th</sup>. I briefed him on USAID activities in support of COIN (counter-insurgency) efforts in North Babil. My primary message was that USAID investments increased in North Babil by 350 percent over the last four months going from \$2.6 million to \$9.7 million as we moved toward more sustainable initiatives.<sup>1</sup> I emphasized that these investments are creating jobs, fostering greater legitimacy of local governments, and increasing economic growth – all of this together is starting to give the Iraqis a glimmer of hope and the realization that they have a chance to take the future in their own hands. General Petraeus said he fully agreed with our approach and emphasized how the development side of our strategy is critical to ultimate success in Iraq.<sup>2</sup>

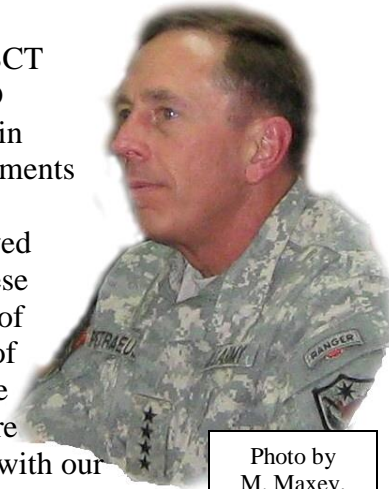


Photo by  
 M. Maxey,  
 07/06/2008

<b>USAID Activities in North Babil</b>	
<b>USAID Programs – Feb. 2008</b> US\$2.6 million	<b>USAID Programs – June 2008</b> US\$9.7 million
<p style="text-align: center;"><b><u>Economic Development</u></b></p> <p><b>Community Action Program (CAP) II</b> – Small business financing, infrastructure improvement, &amp; victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p><b>IZDIHAR</b> – Support provided for local business training from Small Business Development Center in Hillah. Non-USAID funds used to finance business training in coordination with the SBDC established by IZDIHAR.</p> <p style="text-align: center;"><b><u>Governance</u></b></p> <p><b>Community Action Program (CAP) II</b> – School, health clinics, and infrastructure improvement. \$1,923,000 invested (Oct. 2007 – May 2008) benefitting 34,105 people.</p> <p><b>Local Government Program (LGP) II</b> – Over 1,200 hours of training* provided to council members and staff in budget planning and execution, participation in provincial planning process, and design of local economic development strategy. * 4 hrs training per week over 24 week period with average of 13 students per class</p>	<p style="text-align: center;"><b><u>Economic Development</u></b></p> <p><b>Community Action Program (CAP) II</b> – Expand small business financing, infrastructure improvement, &amp; victim compensation. \$580,000 invested (Oct. 2007 – May 2008) benefitting 8,726 people.</p> <p><b>Community Stabilization Program</b> – Support provided to Iskandariya Votekh jobs training program. 1,000 additional students trained. \$8 million allocated for North Babil with \$3.6 million already funding local programs.</p> <p><b>IRAP (Iraqi Rapid Assistance Program)</b> – Seven projects approved for \$2.1 million for business training, microfinance and marketing programs, school supplies, and reconstruction.</p> <p><b>INMA (Ag Production &amp; Marketing Program)</b> – Approval and start of implementation of Iskandariya Fish Farms Program – Expansion of Euphrates Fish Farm (Hillah) to North Babil to support production and marketing of 2,000 hectares of fish farms directly benefitting 14,000. \$1.5 million invested in fish fingerlings contract to supply 3 million fingerlings to North Babil. Planning is underway for expanding investments in North Babil.</p> <p style="text-align: center;"><b><u>Governance</u></b></p> <p><b>Community Action Program (CAP) II</b> – Expand school, health clinics, and infrastructure improvement. \$2.3 million invested through May 2008</p> <p><b>Local Government Program (LGP) II</b> – Expand training with strong focus on budget planning and execution, participation in provincial planning process, and design of local economic development strategy. Seek greater dedicated Technical Assistance for North Babil area.</p>

<sup>1</sup> The metric for sustainability in ePRT North Babil, I explained, was the degree we could promote initiatives that garner buy-in and financing from the private sector, the Government of Iraq, and other donors. I emphasized that the primary question we ask in the design of every initiative is “what is our exit strategy?”

<sup>2</sup> At this point, General Petraeus gave an overview of how the lack of programs to give the Iraqis a chance to shape their own future was a critical problem in the past.

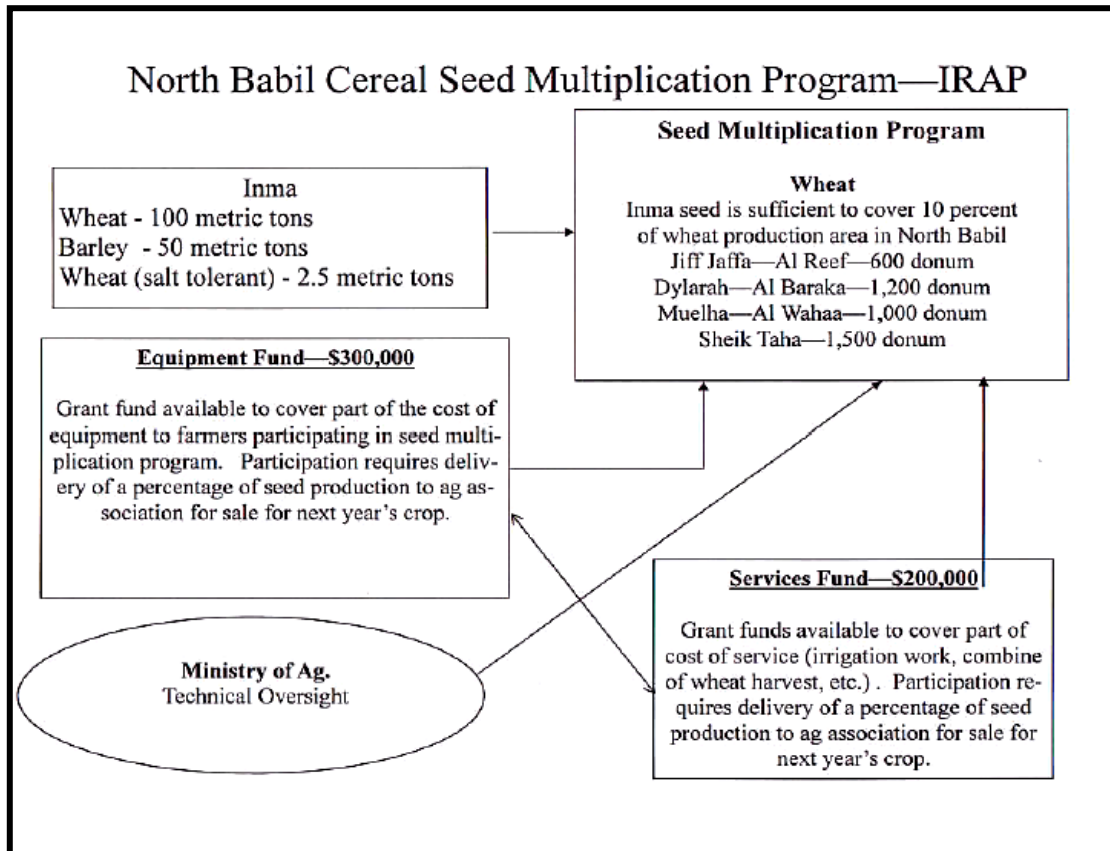
I finished the brief with four key lessons learned:

- (1) Bring Our Partners Into the Fight - Bringing our partners out to our battle space is critical to helping them understand what we are trying to do and how they can help us. Scheduling a monthly AMR (Aviation Movement Request) from the Brigade to bring a variety of partners (USAID, OPA, implementing partners -- DAI/IRAP, Louis Berger/Tijara, Louis Berger/Inma, etc.) to look at specific economic development issues allows them to understand our COIN issues and garners their support (including ideas and pro-active problem solving) to increase investment in our battle space and to create opportunities to move toward sustainable programs. Our last group came out on July 3<sup>rd</sup> and included 8 civilians from USAID partners representing more than \$160 million in total program funding.



- (2) Leverage Development Resources for Great Impact – Using IRAP (Iraqi Rapid Assistance Program) we are able to leverage a greater impact across our area of operation. For example, we are working with Inma to increase a 150 metric tons of wheat and barley seed donation by using IRAP to finance a seed multiplication with four agricultural associations. This will allow the Iraqis to take seed that would have only covered 10 percent of the planting area in North Babil and in one year produce sufficient seed resources to cover 100 percent of the planting area under a commercially viable program that the ag associations can use to generate income for their organizations. We are also planning to use our IRAP funded small business service centers to train farmers to apply for ag loans under the

Government of Iraq Prime Minister's \$500 million ag initiative. Finally, we are using IRAP to find a way with technical support from Tijara to create a sustainable commercial credit system for North Babil while at the same time increasing access by the poor to expanded micro-credit resources.



Example of an approach we are using with two USAID programs to partner and coordinate resources for a greater overall impact – Inma & IRAP.

- (3) Focus on Iraqi Buy-in & Ownership – As we move away from “stabilizing” activities toward sustainable development initiatives, it is critical to get Iraqi buy in and focus on getting investment by others as a way to increase overall impact of activity but also to develop sustainable links to private markets and Government of Iraq financed programs. We see the ag association as a key part of an effort to obtain Iraqi private sector participation in commercial enterprises.
- (4) Use Military as Force Multiplier for Development Programs –We are incorporating battalion level S9 (plans) and CA (civil affairs) Teams in our planning and coordination session in order to obtain ideas on how to promote local development and to help us better manage program implementation. As an example, I highlighted to General Petraeus the suggestion made a young S9 officer, Capt. Levi Jones, regarding a major water project in Wasit. We would not have been aware of the potential for this type of initiative without his input. We are now working with him on developing a proposal for funding under a USAID initiative.